

# FINANCIAL TIMES



**Realism is wrong**  
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World Business Newspaper

THURSDAY DECEMBER 28, 1995

## Turkish leaders urged to resolve political turmoil

Turkey's business leaders demanded a rapid solution from politicians to the turmoil resulting from Sunday's election in which the Islamic Refah party became the largest single party in parliament. Employers said the Refah vote was a warning to the secular parties "to change their ways and adopt a new political understanding to deal with Turkey's problems". Page 10; Editorial Comment, Page 9

### \$1.2bn Canary Wharf sale goes ahead

The £800m (\$1.2bn) sale of the Canary Wharf development in London to a consortium of US and Middle East investors led by its original developer, Paul Reichmann (left), has been completed despite the reported withdrawal of one of the consortium's biggest members. However, the consortium was unable to persuade former senior government civil servant Sir Peter Levene, who masterminded Canary Wharf's recovery since its collapse in 1993, to stay on as chairman and chief executive. Page 11

**Sarajevo withdrawal on schedule:** Bosnian Serb and government forces were withdrawing from checkpoints in Sarajevo in accordance with the first deadline of the Dayton peace agreement. Nato officials said. Page 2

**Fortis, the UK hotel and restaurants company** fighting a takeover bid from Granada Group, agreed to sell its roadside businesses to UK brewer Whitbread for £1.05bn (\$1.6bn). Page 11; Lex, Page 10

**Swiss satisfied with their lot:** The Swiss are the most satisfied workers in Europe and the British among the most dissatisfied, according to a survey of European employees' attitudes to their jobs. Page 10

**Kobe quake lifts damage bill:** Natural disasters caused a record \$180bn worth of damage this year - mostly due to the Kobe earthquake in Japan - but the cost to the insurance industry has been less than in previous years. Munich Reinsurance, the world's largest reinsurer company, said. Page 11

**Stet, the Italian state-controlled telecommunications group,** said it was still interested in buying a 25 per cent stake in Russian telephone company Sviazinvest, despite an official Russian notice that the deal was off. Page 2

**FDA to approve new drugs:** The US Food and Drug Administration, which controls the sale of medicines in the US, is likely this week to grant approval for a batch of six new drugs in its traditional tidy up before the new year. Page 12

**Tradepoint, the rival to the London Stock Exchange** launched in September, got off to a slow start with only 10 to 15 trades per day compared with about 30,000 on the stock exchange. Page 4

**Cuba plans faster recovery:** Cuba has unveiled a new five-year economic plan for 1996 which aims to increase the pace of economic recovery through an expected rebound in depressed sugar production and higher revenues from the growing tourist industry. Page 3

**Bayer, the German chemical company,** will cut its German workforce by about 1,000 next year as part of its efforts to become more competitive and profitable. It said there would also be employment reductions abroad. Page 12

**Indonesia approves record investments:** Indonesia announced record annual foreign investment approvals of \$39.9bn for 1995 and said the prospects for next year were bright. Page 3

**Rocket attack on armoured van:** Robbers attacked an armoured security van with a rocket launcher and machine-guns in Lesquin, northern France, killing one of its crew and wounding two others before escaping with a large sum of cash.

**Seoul store owners jailed:** A father and son who owned a Seoul department store that collapsed in June, killing more than 500 people, were jailed for 10½ years and seven years respectively.

**England lose ground in test:** England were 40 for one in reply to South Africa's total of 428 after the second day of the fourth cricket test at Port Elizabeth.

**Financial futures and options** tables on pages 16, 17 and 22 were not fully updated for this edition because of technical problems at the Life exchange.

STOCK MARKET INDICES			GOLD		
New York Composite	5,180.04	(+5.78)	New York Gold	388.2	
Dow Jones Ind. Av.	5,180.04	(+5.78)	London Gold	387.7	(-1.82)
NASDAQ Composite	1,047.75	(+10.30)	London Gold	387.25	(-1.82)
Europe and Far East	1,047.75	(+10.30)			
FTSE 100	2,584.43	(+10.30)			
FTSE 100	2,584.43	(+10.30)			
Nikkei	20,011.78	(+107.04)			

US LINGUINTE RATES			OTHER RATES		
3-month T-bill	5.01%		UK 5-yr Interbank	6.5%	(6.5%)
6-month T-bill	5.01%		UK 10-yr Gilt	10.75%	(10.75%)
1-yr T-bill	5.01%		France 10-yr Gilt	10.75%	(10.75%)
2-yr T-bill	5.01%		Germany 10-yr Gilt	10.75%	(10.75%)
3-yr T-bill	5.01%		Japan 10-yr Gilt	11.5%	(11.5%)

NORTH SEA OIL (Average)			STRENGTH		
Crude 15-day (Feb)	\$18.35	(17.9)	DM	2.234	(2.2)
Crude 15-day (Mar)	\$18.35	(17.9)	Yen	102.82	

Asia	S&P 500	Grain	D400	Mexico	LM50	Oscar	CR13.00
Latin	D400	Hong Kong	H400	Malaysia	LM50	S&P 500	SR11
Europe	DF70	Hungary	H400	Norway	LM50	S&P 500	SR11
Japan	DF70	Hungary	H400	Spain	LM50	S&P 500	SR11
US	DF70	Hungary	H400	Sweden	LM50	S&P 500	SR11
Canada	DF70	Hungary	H400	Switzerland	LM50	S&P 500	SR11
UK	DF70	Hungary	H400	Turkey	LM50	S&P 500	SR11
France	DF70	Hungary	H400	USA	LM50	S&P 500	SR11
Germany	DF70	Hungary	H400	Yen	LM50	S&P 500	SR11

## Cut taxes to stave off job losses, Bonn is told

By Judy Dempsey in Berlin

Germany faces higher industrial unemployment in the new year, with 90,000 job losses in construction alone, unless incentives to industry are created by lower taxation and reduced labour costs, economic institutes and industrial bodies warned yesterday.

The separate warnings from the Institute for German Economy (IHW), the HDB construction industry federation and the Chamber of Industry and Trade, suggest unemployment will be the single most important domestic challenge facing Chancellor Helmut Kohl's conservative coalition in the coming months.

Unemployment is running at 9.6 per cent - about 8.5 per cent in west Germany and over 14.3 per cent in east Germany.

The warnings reflect concern that the economy is slowing. Last week, the Munich-based Ifo economic research institute said it expected growth to slow to 1.75 per cent next year from 2 per cent in 1995 - less than three months ago it predicted 2.25 per cent growth this year rising to 2.5 per cent for 1996.

The threat of higher unemployment and slower-than-expected growth comes as the government is bracing itself for three state elections in March. The opposition Social Democrats are seeking to make unemployment one of the main election issues and are expected to exploit the pessimistic forecasts.

Mr Kohl's Christian Democratic Union still enjoys wide popularity, but the liberal Free Democrats, the coalition's junior partner, is divided, weak and proving an unstable ally for the government which has only a 10-seat majority in the Bundestag, the lower house of parliament.

In its annual end-of-year survey, the Cologne-based DIW, which is close to industry, showed that 27 of 41 industry sectors surveyed were planning further job cuts in 1996 to reduce high overheads.

It said the strength of the D-mark, coupled with growing international uncompetitiveness and high labour costs, left them little choice but to press ahead with redundancies as one of the few ways to make savings.

Heavy job losses are expected, particularly in the construction industry. Although this sector has enjoyed strong growth over the past five years, fuelled by the extraordinary building boom in eastern Germany, the HDB yesterday confirmed what economists were predicting three months ago: the construction

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Editorial Comment, Page 9  
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## Reformer emerges as leader of Japanese opposition

By William Davidson in Tokyo

The master strategist of Japanese politics, Mr Ichiro Ozawa, yesterday emerged from the shadows of the backroom to take the leadership of the opposition New Frontier party and launch a fresh campaign to make Japan an "ordinary country".

Once a symbol of old style "money politics", the 53-year-old has reincarnated himself as a political reformer, advocating economic deregulation, a greater international role for Japan and an overhaul of the tax system.

"I feel a very heavy responsibility and a sense of mission," said Mr Ozawa, who easily beat Mr Tsutomu Hata, a former prime minister, in a ballot of the opposition party's membership and the general public.

Japanese business leaders welcomed Mr Ozawa's victory. Mr Jiro Ushio, chairman of the Keizai Doyukai executives' association, said his "clear-cut ideals and policies... will help Japanese politics progress". Mr Shoichiro Toyoda, chairman of the Keidanren business federation, said the result showed "the positive appraisal of the active policy stances of Mr Ozawa".

Mr Ozawa, who until now has been secretary-general of the NFP, is expected to bring a more combative tone to domestic politics. He has called on the ruling coalition to hold a general election soon after next year's budget passes through parliament in February or March.

He is likely to criticise government policy, especially on banking and finance, more sharply than his predecessor as NFP head, Mr Toshiki Kaifu. Mr Kaifu, another former prime minister, chose not to stand for re-election and supported Mr Ozawa.

Mr Ozawa seeks a sharp rise in sales tax from 3 per cent to 10 per cent, a more assertive Japanese role in foreign affairs, and domestic



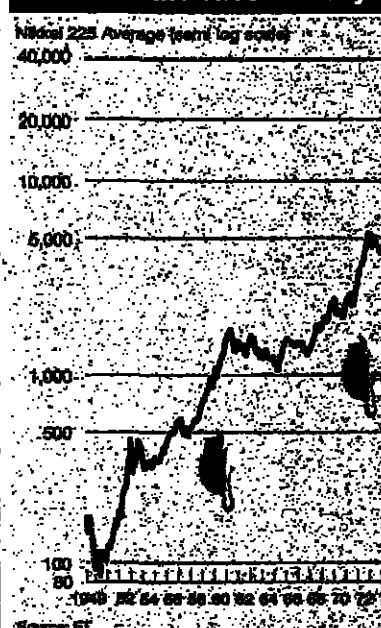
Ready victory: Ichiro Ozawa celebrates his successful leadership bid with supporters in a Tokyo hotel last night

More combative era... Page 3  
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tic political reforms to speed up the government's response to external challenges.

For the first time in Japanese political history, the NFP invited the public to participate in the election, for a fee of ¥1,000 (\$9.80) per ballot paper. More than 1.5m members of the general public voted, with the remaining votes coming from NFP members and politicians.

### Rats lead the race in Tokyo



Nikkei 225 Average index (log scale)

Source: FT

## Codelec issues writ over market losses of \$170m

By Imogen Mark in Santiago and Kenneth Gooding in London

Chile Copper Corporation (Codelec) is planning legal actions against metal brokers in London and New York over \$170m of losses it suffered in the London Metal Exchange's copper market, the state-owned group's lawyer in London said yesterday.

The first writ, alleging conspiracy to defraud Codelec, has been issued against Sogemin, the LME trading company owned by Union Minière, the Belgian metals group.

Mr Michel Moser, chairman of Sogemin, yesterday confirmed that his company had received the writ. However, he added: "I can make no further comment at this stage. I must wait until we

have consulted our lawyers. That will take a few days."

The losses stem from trades carried out by Mr Juan Pablo Davila, Codelec's former head of futures trading. He was charged last year with fraud against the state.

The Chilean government's lawyer, Mr Eduardo Urrejola, said in Santiago that "improper payments" referred to in the Sogemin writ were payments made to people in some way connected with Mr Davila.

Mr Davila has denied receiving money from the representative office of Sogemin in Santiago, though Mr Jorge Guerrero, his lawyer, confirmed a brother-in-law of Mr Davila was a partner there and a close friend with whom Mr Davila had had business dealings.

Other LME traders said they were shocked and puzzled by Codelec's action, because it came two years after the copper market turmoil that caused the Chilean group's problems and because Sogemin was only one of 23 brokers with which Mr Davila dealt.

Mr Tim Parkes, a partner at Herbert Smith, Codelec's solicitors in London, said the Codelec board did not find out about the

losses until early last year and then had started an investigation that involved outside specialist accounting and legal advisers and spanned Europe and the US as well as Chile.

"The investigations are continuing and Codelec expects in due course for there to be further proceedings against brokers in both London and New York," Mr Parkes said.

According to Mr Davila, the losses occurred when in September 1993 overwork and stress led him to make an initial mistake in a series of copper forward contracts.

The mistake led quickly to major losses when the price of copper moved against him. Instead of owning up, he allegedly hid the record of his activities from his immediate superiors and tried to play the market to recover the money.

When he eventually confessed in January 1994, the estimated losses had reached \$200m. They were subsequently reduced to \$170m.

A preliminary report for Codelec into the losses by UK accountants Ernst & Young in mid-1994 said it had found evidence of unusual dealings but none of fraud.

However, Ernst & Young's full report has not been published because it affects the case against Mr Davila.

## Good luck rat cheers the bulls as Nikkei hits 20,000

By Emilio Teraszono in Tokyo

The Pig has lived up to its pedigree, so bring on the Rat. Japanese stockbrokers with a sense of the superstitious are gaining confidence now that the Year of the Pig is ending on a high note - the Tokyo market's Nikkei index closed yesterday above 20,000 for the first time in 14 months.

"The pig comes in third," says Mr Yutaka Nakai at Daiwa Securities, who has number-crunched the links between the stock market and the 12 animal symbols of the Chinese zodiac.

There have been three Pig years since Tokyo's stock market reopened in 1949 after the second world war. The Nikkei closed higher than it started in all three of those years, with the increases averaging 30.4 per cent.

Yesterday's 20,011 close was the highest since October 13 1994, and while only slightly higher than last December's close of 18,723, it was 36 per cent above the 1995 low reached in July.

With the Pig running true to form late in the year, expectations are rising ahead of the Year of the Rat, best performer in the zodiac, coinciding with an average annual rise in the Nikkei of 54.6 per cent.

The rat, detested as a pest by Japanese housewives, is regarded as an auspicious animal. It comes at the start of the zodiac and stands for vitality. The rat is also considered lucky since it is a messenger of Baikun, one of the Seven Deities of Good Fortune, who bestows and protects wealth.

The second best performer has been the dragon. The ox, on the other hand, has been an unlucky sign for investors. Ox years have recorded an average fall of 8.9 per cent, including a 37.6 per cent drop in 1949. While the ox can stand for stability and knowledge, it also has a negative image, and in feudal times, oxen on enemies were placed during the Hour of the Ox.

Astological animals aside, Japanese brokers and industrial-

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This announcement appears as a matter of record only.

August 1995

**STOCKHOLM ENERGI**

**USD 350,000,000**  
Revolving Credit Facility

Arranger  
Chemical Bank

Lead Managers  
Bayerische Landesbank Girozentrale  
Erekside  
The Norddeutsche Bank

Managers  
The Aseh Bank, Ltd.  
Banque et Caisse d'Epargne de l'Etat, Luxembourg  
The Daiwa Bank, Limited  
Landesbank Hessen-Thüringen Girozentrale  
The Sakura Bank, Limited  
The Tokyo-Mitsubishi Bank, Limited  
Bank in Liechtenstein AG

Agents  
The Sumitomo Bank, Limited

**CHEMICAL**

This announcement appears as a matter of record only.

November 1995

**STOCKHOLM ENERGI**

**JPY 2,000,000,000**  
Private Placement due 2005

Arranger  
Chemical Investment Bank Limited

Agent  
Chemical Bank Tokyo Branch

**CHEMICAL**  
The Global Bank







## Ozawa's party win may end consensus and muddle

## Japanese politics heads for more combative era

Japan took another step to a more direct style of political leadership yesterday with the election of Mr Ichiro Ozawa as head of the main opposition party.

Mr Ozawa, twice as many votes as his sole opponent and long-time colleague Yasuhiro Nakasone, was elected to head the Shinshinto (New Frontier) party, a broad-based grouping formed last year. The election of Mr Ozawa, 53, will be welcomed by foreign governments and investors, among whom he is widely seen as one of the few mainstream Japanese politicians with a clear ideology.

Mr Ozawa's election is seen as a move away from the liberal and assertive Japan that corresponded with what Japan's frustrated foreign partners have been urging for years.

Japanese business leaders welcomed the election. Mr Shokichi Toyoda, chairman of the Keidanren business federation, said the result showed "the positive appraisal of the active policy stance of Mr Ozawa".

In his election manifesto and his book, *Blueprint for a New*

Japan, Mr Ozawa calls for faster economic deregulation and a sharp rise in indirect tax rates to reduce the government's heavy reliance on a shrinking income tax base. He believes that Japan's role in international affairs should be more in line with its economic weight. Mr Ozawa proposes the formation of a specialised military unit to take part in United Nations peacekeeping duties.

The first consequence of Mr Ozawa's emergence from the backroom to the front of the stage will be to lift the curtain on a more openly combative period in Japanese politics. It means that both government and opposition are now controlled by younger generation leaders who prefer confrontation to consensus, clarity to muddle.

Mr Ozawa's blunt leadership style parallels his that of long-time rival, the outspoken Mr Ryutaro Hashimoto, 53, president of the Liberal Democratic party - the dominant partner in the three-party government coalition. Mr Hashimoto, widely tipped to bring a more

assertive style to the LDP, has gone quietly since taking the top job there.

But he and the LDP may be roused by the attacks to come from Mr Ozawa. The outcome of a direct fight could clarify the hitherto muddled policy debate between government and opposition, which in itself would be an advance in Japan's slow-motion political realignment.

One of the first targets in Mr Ozawa's sights is likely to be last week's unpopular government decision to allocate public money to what amounts to a banking bailout. Previously, such a move would have attracted no more than a token attack from a weak and divided opposition.

Mr Ozawa began his career as an aide to Mr Kakuei Tanaka, the former prime minister involved in the Lockheed bribery scandal. He soon rose through the ranks fast enough to create enemies among other LDP factions. Many Japanese believe he was motivated as much by ambition as by desire for political reform when he

led a defection from the LDP in mid-1993, so bringing down an LDP government for the first time in nearly four decades.

Since then, his fixer's skills have been in demand as he manoeuvred behind the scenes to build the first post-war party strong enough to challenge the LDP. He put together the first post-LDP coalition, a disparate group embracing the religious right and extreme left, and its equally disparate successor, under his then partner, Mr Hata, a former prime minister.

The next stage came at the end of last year, when Mr Ozawa engineered the merger of nine opposition groups into a single party, the NFP. But since then, he has switched his allegiance to others in the NFP and fallen out with Mr Hata.

Mr Ozawa's promotion is another blow to the old political system - one that may make it easier for Japan's trade partners to understand what is in policy makers' minds.

William Dawkins



Mr Tsutomu Hata, defeated yesterday by Mr Ichiro Ozawa in the race to lead the New Frontier party, is questioned by reporters outside his Tokyo home.

## Tokyo's fiscal time bomb is ticking away

By Gerard Baker in Tokyo

Budget deficits may have brought political gridlock to the corridors of Washington and actual gridlock to the streets of Paris this Christmas, but in Tokyo the biggest deficit of them all has been signed off with barely a murmur of dissent.

On Christmas Day, the Japanese cabinet agreed the nation's budget for fiscal 1996, beginning in April. The ¥75,000bn (¥752bn) spending total on the central government account will be financed partly by the largest-ever planned issue of deficit-financing bonds: more than ¥12,000bn.

When the issuance of construction bonds, a somewhat evasive method by which the government justifies much of its borrowing, is taken into account, the "total" deficit reaches ¥21,000bn.

That figure represents 4.5 per cent of Japan's gross domestic product, the largest gap between the government's spending and revenues in several decades.

In the midst of its deepest recession in post-war history, that may not seem too much of a strain. It is well below the sort of figures seen in the depth of recessions in Europe in the past.

But the real numbers, complicated as they are by the opacity of Japanese accounts, are much worse.

Five years ago, talk of an impending budget crisis in Japan seemed fanciful. Having been in surplus for most of the post-war period, the central

government's finances went into the red in 1990.

Over the next five years, the annual borrowing requirement increased at an alarming pace, and as a result the gross outstanding debt of the central government went from 55 per cent of national income in 1990 to nearly 75 per cent this year.

The principal culprit was, of course, the recession, which cut tax revenues and increased spending needs. But the anti-inflation effects of recession are not the only factors in the slide into deficit.

A series of measures aimed at reviving the economy, including a succession of tax cuts and fiscal stimuli, have raised the so-called structural element of the deficit. The total value of such packages (there have been six since 1992) is difficult to judge, but a conservative estimate would put the total at about ¥22,000bn, or 7 per cent of gross domestic product.

The OECD estimates these and other factors have resulted in the government's running a structural surplus of about 1 per cent of GDP in 1990 into a structural deficit of about 2 per cent this year.

In other words, even if the

than the weak trend described in previous output studies. Miti forecasters believe output could continue to rise and expect production to grow 0.5 per cent this month and the same again in January.

Stocks of unsold goods and materials fell 1.1 per cent in November, nearly reversing a 1.4 per cent rise in October.

These are the latest in a series of encouraging economic data, including a rise in department store sales in Novem-

ber for the first time in 45 months, and the first time in six months that the government's main economic indicator has risen above the 50 per cent dividing line between growth and decline. Yesterday the construction ministry announced Japan's housing starts in November increased 0.1 per cent from a year ago to 197,180, the first rise in eight months. In October, housing starts fell 2.3 per cent from a year earlier.

Most notably local government. Local authority borrowing now amounts to about 3.4 per cent of GDP, against 2.3 per cent two years ago.

In total, therefore, the general government deficit comes close to 8 per cent of national income and gross debt is now 85 per cent of income.

Both figures approach levels which are more commonly associated with less developed countries than the prudent Japanese, and they are well in excess of the debt figures now causing so much grief in the US and France.

Offsetting the large recurring deficits in the central and local governments' budgets is, of course, Japan's famous social security surplus. Funds paid in social security contributions for pension provision are more than enough to meet present obligations, and the ensuing surplus is thus set against the general deficit.

On these figures, the overall deficit is, the government estimates, about 4.2 per cent of GDP, and net debt is about 13 per cent.

The government is anxious to stress these lower figures in arguing that its fiscal position

is, for the time being, sustainable. But those social security surpluses may, of course, soon be whittled away by Japan's changing demographic profile.

With a rapidly ageing population, officials know they are playing with fire. Counting those current surpluses as part of current revenue is a risk exercise without a subsequent big increase in social security contributions.

Another factor is threatening a debt explosion. As government borrowing grows, the cost of servicing that debt rises year after year, and the task of balancing the budget gets harder.

Central government debt-service costs next year will hit ¥16,000bn, more than a fifth of total expenditures. Debt has a habit of spiralling, eating up more and more tax revenues simply to pay for past expenses. In a climate of falling prices it accelerates even faster.

The need to avoid that ominous debt trap is firmly ingrained in the mind of every finance ministry official in Tokyo. But for the moment, they are stuck in a different kind of trap.

As long as the economy remains mired in slump, addressing the fiscal problem with tax increases or spending cuts could be ruinous.

Instead, the government enters another New Year with its fingers firmly crossed. A fiscal time bomb is ticking away under its spending plans.

Every month that passes without a vigorous economic recovery increases the likely damage it will wreak when it explodes.

## Japan's budget blues

1996 central government budget: ¥75,104.9bn

(¥752bn) (US\$54.5bn)

Expenditure: ¥59,585.3bn (79.2%)

Revenue: ¥15,519.6bn (20.8%)

Other: ¥2,000.0bn (2.7%)

Net borrowing: ¥12,065.7bn (16.1%)

Source: Japanese Ministry of Finance

Notes: Figures are in billion yen unless otherwise stated.

1995 fiscal year ended March 31.

1996 fiscal year begins April 1.

1996 fiscal year budget is preliminary.

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## Sacked Thai SEC head 'had enemies'

By William Barnes in Bangkok

The Thai government's sacking of its stock markets regulator, Mr Ekamol Kitvijit, on Tuesday is widely seen as a settling of old scores.

Mr Surakiat Sathirathai, finance minister, said yesterday he had evidence, which he declined to produce, suggesting Mr Ekamol was involved in the leaking of news of investigations into share price manipulation in 1993 and 1994.

But Mr Ekamol, secretary-general of the Securities and Exchange Commission, was unrepentant yesterday. "I knew my phone was being tapped but I didn't care because my heart is pure. I have nothing to hide."

But several other parties appear to have had an interest in seeing off Mr Ekamol, whose publicly stated policy has been to increase the transparency of the capital markets.

His determination to play the financial policeman, but short his tenure at the SEC and resulted in his dismissal, also on Tuesday, as deputy governor of the central bank, a post he held concurrently.

Mr Ekamol antagonised the local brokers who run the stock exchange. They objected to schemes designed to loosen their lucrative control of trading on the exchange.

Also, Mr Vichit Suphith, gov-

ernor of the Bank of Thailand, viewed his deputy as a rival.

Mr Ekamol also made powerful enemies when the SEC charged an influential speculator, known as Sia (tycoon) Song, more than a score of other investors, with share manipulation three years ago.

But he may have finally sealed his fate by successfully demanding from the new government of the prime minister Mr Chuan Leekpai, five months ago, a reaffirmation of the independence of the SEC. The presumption antagonised the government.

The stock market has hardly twitched at the news of Mr Ekamol's dismissal but the long-term impact of such a blunt move to disable an increasingly independent SEC could be profound.

Over the last 12 months, government attempts at financial reform have often resulted in investor disenchantment, culminating in the attempted suicide of an investor at the exchange last month.

Many investors have criticised Mr Surakiat's lack of hands-on financial experience but he has, so far, appeared to have avoided trouble. Even so, the government was criticised in November for creating a \$1.2bn credit line for hard-pressed speculators and brokers in response to the suicide attempt.

## Cuba plans for faster recovery

By Pascal Fletcher in Havana

Cuba has unveiled a new-looking economic plan for 1996 which aims to increase the pace of economic recovery through an expected rebound in depressed sugar production and higher revenues from the growing tourist industry.

Putting the plan to parliament on Tuesday, Mr José Luis Rodríguez, economy minister, forecast gross domestic product growth of 5 per cent next year, double the 2.5 per cent envisaged for 1995.

Exports were projected to repeat the 20 per cent increase recorded in 1995, while imports would grow 15 per cent, compared to 12 per cent in 1995.

The upbeat economic plan, a departure in that it deals with one year rather than five, was drafted with the government's 1996 budget proposal. It is the first to be publicly presented by the Cuban government since the collapse of massive trade and credit flows from the Soviet bloc threw the economy into recession five years ago.

The plan contained no new policy initiatives but appeared to be aimed at consolidating the reforms of the last two years. Mr Rodríguez stressed,

however, that the expected growth in 1996 would depend on a number of variables. The one-year 1996 plan would not only be vulnerable to the uncertainties of the international market, lack of access to medium and long-term credit would also be a limiting factor.

A main challenge was to lift sugar production, the traditional mainstay of the Cuban economy. Deprived of vital inputs such as fertiliser, output fell in the 1994-95 harvest to a 50-year low of 3.3m tonnes.

The target for the current 1995-96 sugar harvest is 4.6m tonnes. Imports of fertilisers

financed by foreign credits have increased the amount of cane available this year, although foreign analysts say deterioration of mills could limit the expected recovery.

Mr Rodríguez said the government wanted to increase net earnings from tourism. Cuban officials put gross tourism earnings at about \$1bn for 1995, up from \$800m in 1994.

The 1996 budget sees the deficit falling to 580m pesos (nominally \$580m), less than 3 per cent of GDP, compared to a lower than expected 3.6 per cent of GDP in 1995.

## Indonesia's investment approvals at record high

Indonesia yesterday announced record annual foreign investment approvals for 1995 and said the prospects for next year were bright, Reuters reports from Jakarta.

Mr Suryoto Sasrowardoyo, investment minister, said approvals totalled \$39.9bn, compared with \$33.7bn in 1994 and only \$8bn the previous year.

The minister said an economic package to be unveiled soon would improve Indonesia's investment climate, but he gave no details. Other ministers have said the package will be unveiled by next month at the latest, partly to help the private sector compete on world markets.

Mr Suryoto said Indonesia faced challenges in attracting foreign investment, including increased competition from other east Asian countries such as Vietnam.

Domestic sectors attracting foreign investment included the chemical, oil refining, food, plantation and paper industries. "There are some big projects in the pipeline prior to next year's approvals," he added, without giving details.

Britain topped the list in investment value for 1995, with \$8.32bn, compared with \$2.55bn in 1994. Japan was second with \$4.75bn, up from \$1.66bn last year.

The minister predicted a continued flow of investment funds into developing countries, especially in Asia. "The prospects for Indonesia for 1996 are bright. We hope we can achieve the same level as this year but it is going to be very difficult," he told a news conference.

"We must increase investment promotion and the way we treat investors. We must also make efforts to increase investment realisation," he said. Foreign investment realisation in Indonesia averaged 51-52 per cent.

Mr Suryoto also said there were good prospects for increased demand for Asian products and commodities, especially from Japan, the US and Canada.

## INTERNATIONAL NEWS DIGEST

## Ex-minister on fraud charge

Mr Toshio Yamaguchi, the former labour minister arrested three weeks ago by Tokyo prosecutors, was charged yesterday with criminal breach of trust, fraud, and perjury in connection with the collapse of two credit unions last year.

Mr Yamaguchi, an independent member of the lower house of parliament, is accused of having used his connections with the president of one of the two companies to arrange illegal loans for businesses run by members of his family. Mr Harumori Takahashi, president of Tokyo Kyowa credit union, and Mr Yamaguchi's sister have already been charged on several counts of embezzlement and breach of trust.

The chief prosecutor in the case told a news conference that the indictment of Mr Yamaguchi concluded prosecution inquiries into the collapse of the two credit unions. The news will disappoint some critics, who want the investigation to be widened to include other politicians and government officials who are alleged to have been involved in the affair.

The two companies collapsed last December under more than ¥100bn (\$800m) of bad loans, many of them allegedly advanced to companies connected with Mr Takahashi, one of the more colourful of Japan's 1980s "bubble-era" property speculators.

Gerard Baker, Tokyo

## S Africa considers flood relief

A South African government delegation, led by acting President Thabo Mbeki, yesterday visited deluged settlements outside Pietermaritzburg to decide whether to allocate central government funds for relief work by designating the area a national disaster. Residents are braced for further heavy storms today after flash floods claimed at least 180 lives and left more than 1,500 people homeless in KwaZulu-Natal province.

Mr Mbeki also held talks with Mr Frank Mdlalose, premier of KwaZulu-Natal, following increased fighting in the province. At least 135 people had been killed in political and criminal violence in the Zululand heartland since Friday, police said yesterday. In the town of Stobosobane, an isolated African National Congress stronghold in an area dominated by Inkatha Freedom party members, about 600 IFP supporters were reported to have marched through the town, some carrying automatic weapons. The local ANC chairman, Mr Kipha Nyawusa, was among those killed. A further 15 people died during two separate incidents of factional violence on Boxing Day.

Local government elections in the province have been delayed until March 27 following demarcation disputes between the ANC and IFP.

Mark Ashurst, Johannesburg

## Prisoner release plan for Israel

Israel yesterday turned over the West Bank town of Ramallah to Palestinian control and announced it would release more than 1,000 Palestinian prisoners next week. Ramallah, north of Jerusalem, is the last of six towns to gain full autonomy under the Israel-Palestine Liberation Organisation deal expanding Palestinian autonomy in the West Bank.

A seventh town, Hebron, will gain partial autonomy before Palestinian elections, scheduled for January 20. Jenin, Tulkarm, Kalkiyah, Nablus and Bethlehem are already under Palestinian control, along with Jericho and the Gaza Strip, which gained autonomy last year as part of the 1993 Oslo accords.

Yesterday's handover was smooth, with only scant protest from Israelis opposed to relinquishing land in the West Bank. They have been largely silent in the wake of the assassination last month of Mr Yitzhak Rabin, the former prime minister.

The prisoner release, decided by the Israeli cabinet yesterday, is part of an Israeli effort to boost Palestinian support for the peace process in the run-up to the elections. Israel's detention of the prisoners, despite provisions for their release in the September interim agreement, has angered many Arabs.

Palestinian officials say there are up to 5,000 Palestinians in Israeli jails, most of them for political reasons. Israel says the number is around 4,000, with most jailed for security or criminal offences.

Mark Dermis, Ramallah

## Chemicals for Iraq intercepted

Jordan has seized a large consignment of toxic chemicals and equipment for making missile parts, which were bound for Iraq in violation of UN sanctions, it was announced yesterday.

Mr Abdul-Karim al-Kabarti, foreign minister, said the interception of banned goods had been aided by documents the Iraqi government had handed over to the UN after the defection of a key Iraqi official in August. The documents were handed to the UN commission overseeing the elimination of Iraq's weapons of mass destruction.

Security sources said that Jordanian customs agents had seized dangerous acids and chemicals concealed in a shipment of drugs being exported by a local pharmaceutical manufacturing company to Iraq. Medicines and humanitarian goods are exempt from a stringent UN economic embargo imposed on Iraq after its invasion of Kuwait in 1990.

In addition to the chemicals, authorities had in the last few weeks seized a computerised milling machine for making missile spare parts, imported by an Iraqi front company based in Amman, Mr Kabarti said.

Reuters, Amman

## Bankers sentenced to death

A Chinese court has sentenced nine people, including three bankers, to sentences ranging from eight years to death for corruption involving more than \$400,000, officials said yesterday.

China has recently cracked down on corruption, particularly in the special economic zones of Shenzhen and Zhuhai, which border Hong Kong and Macau.

Mr Xu Biao, vice-president of the Zhuhai International Trust and Investment Corp (Zitic), was sentenced to death, with a two-year stay of execution, for taking bribes worth ¥459,000 (\$55,000) and accepting two watches.

Mr Deng Ping, responsible for Zitic's domestic loan department, was sentenced to death, also delayed for two years, for abusing his position and using the name of a printing house to embezzle ¥1.15bn, a court official said.

Reuters, Beijing

The Financial Times plans to publish a Survey on

## Franchising

on Tuesday, March 12th.

This survey will focus on areas such as research for potential franchises, explores sources of funding available and highlights the specialist help available.

For more information, please contact

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FT Surveys



## NEWS: UK

Stock exchange Traders in London are not used to dealing on screens

## Trading rival has slow start

By John Gapper,  
Banking Editor

TradePoint, the rival to the London Stock Exchange which was launched in September, has got off to a slow start. Only 10 to 15 trades a day are being done on it compared with about 30,000 on the stock exchange.

TradePoint, which uses an "order-driven" system under which institutional investors and brokers post their bids and offers to buy blocks of shares on an electronic bulletin board, wants to reach breakeven within a year to 18 months.

To do so, it estimates it would need between 150 and 300 trades a day in average blocks of about £150,000 (\$231,000). The company says it is confident of achieving break-even at its target date.

"We always planned for a slow start because this is a new type of market," said Mr Stephen Wilson, executive director of TradePoint. "Traders in London are not used to dealing on screens." He said the record of electronic order-driven trading in wholesale foreign exchange markets in the past three years showed that such systems tended to

start slowly, but could expand rapidly once traders became familiar with them.

TradePoint works differently from the stock exchange, which uses a "price-driven" system under which market-makers provide liquidity by guaranteeing bid and offer prices for shares, which they post on the exchange's Sequa bulletin board.

However, the stock exchange has now decided in principle to allow order-driven trading on its Sequa trading system, to be launched in 1996.

The stock exchange is monitoring TradePoint to see if

there is a untapped demand for order-driven trading.

However, Mr Michael Lawrence, the exchange's chief executive, has argued that TradePoint's record is disappointing. The top 400 shares are being traded on TradePoint, and it plans to extend trading to the next largest 400 in the coming year.

Mr Wilson said that TradePoint was proving popular among quantitative traders who use mathematical techniques because it shows transparent prices. This allows traders to arbitrage cash and futures markets more exactly.

## Experts on death predict early doom for Tories

By James Blitz,  
Lobby Correspondent

Mr John Major's hopes of avoiding a general election before the last possible date - May 1997 - look set to be dashed by a power that lies well beyond the world of Westminster, says a leading City of London organisation.

As the government bravely clings to its notional House of Commons majority of three, a group of actuarial consultants has predicted that statistically four MPs in the governing Conservative party should die between now and next Christmas, plunging Mr Major's government into a general election.

The prediction comes from Lane Clarke and Peacock, an organisation which advises large companies on their long-term pension liabilities. The company claims to be "experts on death rates and mortality statistics". It has based its latest analysis on a scrupulous study of the age profile of Tory MPs.

The prospect of the government's majority being whittled down in this way is high on the minds of Tory business managers - even if they try not to talk about it too much outside the lobby of the House of Commons. The death of a sitting MP immediately triggers a by-election in his or her district. The Conservatives have not won such a contest since 1999.

Mr Major wants to delay an election for as long as possible. The Conservatives are more than 30 points behind the Labour party in opinion polls, a gap that would put Labour well on the road to government if there were an election tomorrow. There are also

Mr John Prescott, deputy leader of the opposition Labour party, yesterday taunted Conservative MPs for joining the "chicken run" to districts safer than those they now represent. He named 16 Conservatives including two cabinet ministers who, he said, were seeking safer seats before the next general election was called.

Ten Conservatives including Mr Brian Mawhinney, chairman of the party, have already switched to safer seats. Some are switching because their districts are being reshaped by boundary changes. So far 50 other Conservatives have announced that they will either retire or leave the House of Commons at the next election.

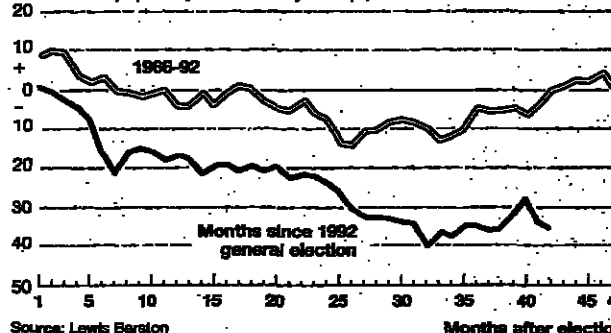
Mr Kenneth Clarke, the chancellor of the exchequer, might use his next national Budget - the last before an election - to cut further the basic rate of income tax.

Mr Paddy Ashdown, leader of the centrist Liberal Democrat party, yesterday appeared to be in no less pessimistic a mood about the Tories' prospects. "In my bones," he said in a television interview with ITN, "I don't think the government is going to get through the next year."

Mr Ashdown said his party would contest the next general election on a platform which included a clear commitment to European integration and a single currency. "I want people out there to know that on this issue, the Liberal Democrats can be relied on to be a rock in favour of the process of European integration," he said.

## The long slide continues

Government popularity measured by Gallup polls



Source: Lewis Barston

There is no positive trend in the government's favour in the latest opinion polls, David Butler writes. The country is still 15 or 16 months from a general election, and there is time for the Conservatives to recover. But their unpopularity is greater than ever before. The diagram shows what has happened in the past. Every government since 1966 has dropped in mid-parliament

Asian community New bank would tap resources to invest in India

## Escape from the spectre of BCCI

By Khazem Merchant  
in London

A group of rich Asians met recently for lunch at the rooftop terrace of a London skyscraper. The glass-fronted building houses the London headquarters of the Hinduja brothers, Gopi and Srichand, who emerged during the afternoon as the prime movers behind a plan by the 70-odd guests, many based in the Indian subcontinent, to launch a London-based Asian bank.

The bank would target Britain's commercially vibrant Asian community and mobilise resources to invest in the rapidly liberalising Indian economy. It would represent the first move by UK-based Asians into the British financial services sector.

"The UK Asian commercial community has strong charitable and cultural associations which are very individual in their character," said a senior member of the Asian British Business Community (ABBC), a coalition of rich UK Asians set up two months ago with

such a venture in mind. "But the community does not have a collective banking or financial institution to call its own, one that can understand its own needs and respond as necessary."

That is thought to be a reference to the so-called "cultural factor" in British banking and finance, most spectacularly, and ultimately fatally, demonstrated by Bank of Credit and Commerce International.

BCCI collapsed in mid 1991 with debts of \$14bn. In 1993 action by the Bank of England, the UK central bank, led to the closure of three small Asian banks: Mount Banking, Equatorial Bank and Roxburgh Bank.

In the wake of the BCCI collapse, all three banks had suffered severe liquidity problems - although Mount was also found by UK banking regulators to have conducted itself improperly. Their disappearance created a gaping hole in Asian banking in the UK that has never been satisfactorily filled, say Asian business leaders.

Many ABBC members were hit hard by BCCI's collapse and today they pointedly distance themselves from the world's greatest banking scandal. "BCCI was an Arab, not an Asian bank," says one top ABBC member. Mount, Equatorial and Roxburgh also had strong ties with Asian businesses in the UK and participated in high-risk trade finance with Asians in east Africa. It was not uncommon for these banks to grant loans to Asian applicants - often with little security and frequently without evidence of business plans - who would have been routinely rejected by mainstream banks.

These and other aspects of their operation inevitably provoked much public criticism and caricature. "BCCI - the Bank of Commerce and Cocaine International" was one of many jokes. In October 1993, for instance, the Banking Appeal Tribunal found brothers Suresh and Navin Shah, directors of Mount Bank, not "fit and proper" to act as directors of a bank. It was this

type of damaging public criticism, BCCI aside, that tarnished Asian involvement in banking activity.

Yet many Asians, especially the smaller businessmen, still insist that mainstream banks do not understand their way of doing business. "Our banks would speak to us in our own language - literally, for business was usually conducted in Gujarati, Urdu or Hindi - and understand the family role," was one common refrain.

With BCCI reeling from the background - a court in Luxembourg cleared the way for a final settlement last week for BCCI's weary creditors after ex-employees had withdrawn their opposition - many ABBC members agree that now is the right time to launch such a community bank.

The timing also seems appropriate for developments beyond both UK and Luxembourg. Economic and financial liberalisation in India has opened a new area of activity for expatriate Indians keen to channel UK-generated profits into the Indian economy.



Sime Darby Berhad

## NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that an Extraordinary General Meeting of Sime Darby Berhad will be held on 15 January 1996 at 3.30 p.m. at the Grand Ballroom, Kuala Lumpur Golf & Country Club, No. 10, Jalan 17/OD, Off Jalan Bukit Kiara, 60000 Kuala Lumpur, Malaysia, for the purpose of considering and, if thought fit, passing the following resolutions; all of which will be proposed as ordinary resolutions:

## ORDINARY RESOLUTION 1

PROPOSED ACQUISITION OF 201,168,890 ORDINARY SHARES OF RM1.00 EACH REPRESENTING 60.35% EQUITY INTEREST IN UNITED MALAYAN BANKING CORPORATION BERHAD ("UMBC") AND PROPOSED UNCONDITIONAL MANDATORY GENERAL OFFER FOR THE REMAINING ORDINARY SHARES OF RM1.00 EACH IN UMBC NOT HELD BY SIME DARBY BERHAD

"THAT the Company hereby approves the proposed acquisition of 201,168,890 ordinary shares of RM1.00 each representing 60.35% equity interest in United Malaysian Banking Corporation Berhad ("UMBC") from Datuk Keramat Holdings Berhad and UMBC Holdings Sdn Bhd, a wholly-owned subsidiary of Datuk Keramat Holdings Berhad, for a total cash consideration of RM1,300,000,000 ("Proposed UMBC Acquisition") pursuant to the conditional Share Sale Agreement dated 11 November 1995 between the Company, Datuk Keramat Holdings Berhad and UMBC Holdings Sdn Bhd AND THAT the Directors of the Company be and are hereby authorised to do all such deeds, acts and things (including making an unconditional mandatory general offer to the other members of UMBC ("Proposed General Offer") in accordance with Rule 34.1 of the Malaysian Code on Take-Overs and Mergers, 1987 for the remaining ordinary shares of RM1.00 each in UMBC at a cash offer price of RM6.46 per share or such other price as may be imposed by the relevant authorities and/or as may be revised by the Directors) and to execute, sign and deliver all documents for and on behalf of the Company as they may consider necessary or expedient to give effect to the Proposed UMBC Acquisition and the Proposed General Offer with full powers to assent to any condition, modification, variation and/or amendment in any manner as may be made or required by the relevant authorities."

## ORDINARY RESOLUTION 2

PROPOSED SPECIAL ISSUE OF 210,000,000 NEW ORDINARY SHARES OF RM0.50 EACH IN SIME DARBY BERHAD TO BUMIPUTERA INVESTORS TO BE NOMINATED BY THE RELEVANT AUTHORITY

"THAT contingent upon the passing of Ordinary Resolution 1, and subject to the approvals of all relevant authorities including but not limited to the approval of the Kuala Lumpur Stock Exchange and The International Stock Exchange of the United Kingdom and the Republic of Ireland Limited for the listing of and quotation for the new ordinary shares of the Company to be issued hereunder, the Directors be and are hereby authorised to allot and issue 210,000,000 new ordinary shares of RM0.50 each to Bumiputera Investors to be nominated by the relevant authority at a price to be determined by the Directors of the Company taking into account, inter alia, the last transacted prices of ordinary shares of RM0.50 each in the Company as quoted in the Daily Diary published by the Kuala Lumpur Stock Exchange for the five (5) trading days prior to a date selected by the Directors of the Company and/or upon such terms as are approved by the relevant authorities ("Proposed Special Issue") and that such new ordinary shares upon allotment and issue shall rank pari passu in all respects with the existing ordinary shares of the Company except that they shall not be entitled to the final dividend declared for the financial year ended 30 June 1995 AND THAT the Directors of the Company, be and are hereby authorised to do all such acts and things as they may deem necessary or expedient to give effect to the Proposed Special Issue with full powers to assent to any condition, modification, variation and/or amendment in any manner as may be made or required by the relevant authorities."

## ORDINARY RESOLUTION 3

PROPOSED SIME DARBY EXECUTIVES' SHARE OPTION SCHEME FOR ELIGIBLE EXECUTIVES AND EXECUTIVE DIRECTORS

"THAT subject to the approvals of all relevant authorities including but not limited to the approval of the Kuala Lumpur Stock Exchange and The International Stock Exchange of the United Kingdom and the Republic of Ireland Limited for the listing of and quotation for the new ordinary shares of the Company to be issued hereunder, the Directors be and are hereby authorised:

- to establish and administer an executives' share option scheme for the benefit of eligible executives and Executive Directors of the Company and its subsidiaries ("the Group") to be known as the Sime Darby Executives' Share Option Scheme ("the Proposed ESOS" or "Scheme") referred to in the Circular to Shareholders dated 28 December 1995 and the Sime Darby Executives' Share Option Scheme Bye-Laws (a draft of which is contained in Appendix III thereto) and to give effect to the Proposed ESOS with full powers to assent to any modifications or amendments as may be required by any relevant authorities as they may deem fit and to make or grant an offer, or enter into any agreement or option pursuant to the Proposed ESOS which would or might require new ordinary shares to be issued;
- to allot and issue from time to time such number of ordinary shares in the capital of the Company as may be required to be issued pursuant to the exercise of the options under the Proposed ESOS provided that the total number of ordinary shares to be issued under the Scheme (including the ordinary shares issued under any previous employees' share option scheme) shall not exceed ten percent (10%) of the issued and paid-up share capital of the Company at the time of allotment and such ordinary shares issued will upon allotment rank pari passu in all respects with the then existing issued ordinary shares of the Company except that the ordinary shares so allotted will not rank for any dividends, rights, allotments or other distributions declared, made or paid to shareholders which record date thereof precedes the relevant date of allotment of the ordinary shares and will be subject to all provisions of the Articles of Association relating to transfer, transmission or otherwise. The expression "record date" means the date as at the close of business on which shareholders must be registered as members of the Company in order to participate in any dividends, rights, allotments or other distribution;
- to do all things necessary at the appropriate time or times and to make the necessary applications to the Kuala Lumpur Stock Exchange, The International Stock Exchange of the United Kingdom and the Republic of Ireland Limited and any other relevant stock exchange upon which the ordinary shares of the Company may for the time being be listed, for permission to deal in and for the listing of and quotation for the ordinary shares of the Company which may hereafter from time to time be issued and allotted pursuant to the Proposed ESOS; and
- to modify and/or amend the Proposed ESOS from time to time provided that such modifications and/or amendments are effected in accordance with the provisions of the Proposed ESOS relating to modifications and/or amendments and to do all such acts and to enter into all such transactions, arrangements and agreements as may be necessary or expedient in order to give full effect to the Proposed ESOS."

## ORDINARY RESOLUTION 4

PROPOSED ISSUE OF ORDINARY SHARES TO DATUK NIK MOHAMED BIN NIK YAACOB PURSUANT TO THE PROPOSED ESOS

"THAT subject to the approvals of the relevant authorities and the passing of Ordinary Resolution 3, the Company and the Board of Directors be and are hereby authorised to offer to Datuk Nik Mohamed bin Nik Yaacob who is a director and in the full-time employment of the Company an option to subscribe for 500,000 ordinary shares of RM0.50 each in the Company under the Proposed ESOS (as defined in Ordinary Resolution 3)."

## ORDINARY RESOLUTION 5

PROPOSED ISSUE OF ORDINARY SHARES TO TUAN SYED FAHKRI BARAKBAH PURSUANT TO THE PROPOSED ESOS

"THAT subject to the approvals of the relevant authorities and the passing of Ordinary Resolution 3, the Company and the Board of Directors be and are hereby authorised to offer to Tuan Syed Fahkri Barakbah who is a director and in the full-time employment of the Company an option to subscribe for 450,000 ordinary shares of RM0.50 each in the Company under the Proposed ESOS (as defined in Ordinary Resolution 3)."

## ORDINARY RESOLUTION 6

PROPOSED ISSUE OF ORDINARY SHARES TO MR MARTIN SMITH BERRY PURSUANT TO THE PROPOSED ESOS

"THAT subject to the approvals of the relevant authorities and the passing of Ordinary Resolution 3, the Company and the Board of Directors be and are hereby authorised to offer to Mr Martin Smith Berry who is a director and in the full-time employment of the Company an option to subscribe for 450,000 ordinary shares of RM0.50 each in the Company under the Proposed ESOS (as defined in Ordinary Resolution 3)."

Kuala Lumpur, Malaysia  
28 December 1995By Order of the Board  
Martin G. Manen  
Secretary

## Notes:

- A member entitled to attend and vote at the above meeting is entitled to appoint one or more proxies to attend and vote in his stead. A proxy need not be a member of the Company.
- A Form of Proxy for the meeting has been sent to registered shareholders.
- To be valid, Forms of Proxy, together with the power of attorney or other authority, if any, under which it is signed, should be lodged at the relevant office of the Share Registrars of the Company (printed on the reverse side of the Form of Proxy) not less than 48 hours before the time fixed for holding the meeting or any adjournment thereof. The lodging of the Form of Proxy will not preclude you from attending and voting in person at the meeting if you so wish.

سند الاصل







# THE MILITARY CAN'T TELL US WHERE THEY LEFT THEIR LANDMINES. BUT THESE PEOPLE CAN.



In many parts of the world landmines aren't marked with warning signs. They're marked with blood.

Detonated by the feet of passing civilians.

The 1980 UN Weapons Convention dictates that "parties to a conflict shall record the location of all pre-planned mine fields laid by them."

Wars dictate otherwise.

In the heat of battle landmines are scattered in huge numbers.

Angola alone has over nine million buried landmines. That's one for every single member of the population.

They're also dropped with scant regard for their whereabouts, either fired from launchers or dropped from planes or helicopters. Which means there's little chance of mapping the weapons with any accuracy.

And so landmines buried for short term military gain produce appalling long term consequences.

When the trouble ends and the soldiers disappear these weapons remain to wreak havoc on the local population.

In Poland people are still being killed or injured by landmines fifty years after World War II ended.

But even if the military had a rough idea where they'd left their landmines there is little chance they could remove them.

Modern plastic mines are incredibly difficult to detect, while other varieties are designed in ways that makes them too dangerous to try and defuse.

Afghanistan has nearly 3000 deminers but it will take decades to clear the country, while huge tracts of Africa are 'no-go' areas because of landmines.

The situation is even worse for people in countries where there are ongoing conflicts.

As the tide of battle shifts so an area that was considered safe one day can be mined the next.

That is why action needs to be taken now.

The International Committee of the Red Cross is committed to a worldwide ban on the production, export and use of anti-personnel landmines.

Otherwise the world will continue to be demined.

Limb by limb by limb.



INTERNATIONAL COMMITTEE OF THE RED CROSS (ICRC)  
**LANDMINES MUST BE STOPPED**



Cinema in 1995/Nigel Andrews

## Small is beautiful

There is much to be said for jet lag - and movie lag. I have just returned from Hollywood and can testify to the pale, harassed faces of American critics trying to coax a "ten best" from a recalcitrant year. Can they include *Boyz n the City*, *Home Alone* and *CD-ROMs*? Can they wait and combine 1995 and 1996?

In Britain your harassed critic has the opposite problem. He is toying and turning in the billows of his own vast short list. This numbers 25 films of which half may be vaguely called "American Independents". America itself, to explain its depleted year, got many of these in 1994.

So we had mordantly funny social satires in *Clerk*, *Chances* and *To Die For*; tangled tales of human relationships in *Spanking The Monkey* and *Erin*; thrillers shot through with toxic ingenuity in *Fresh* and *The Usual Suspects*; documentaries that leaped dolphin-like from the genre's tradition of earnest pedagogy (*Crumb*, *Hoop Dreams*, *Martha and Ethel*); and hilariously inspired drifts on cinema itself in *Ed Wood* and *Living in Oblivion*.

When films like these arrive on the shores of a country speaking the same language, creativity was spark creativity. Britain responded with its best movies in years. The trend to black comedy produced *Shallow Grave*, *Priest*, *Butterfly Kiss* and *The Young Fugitives*; all meditating on murder, sex or damnation in the age of *Crumb* and *Street*.

Ken Loach escaped abroad to make *Land and Freedom*, but his war-torn 1930s Spain seemed just as vibrantly tormented as 1990s Britain: strewn with violence, snatched romances and arguments about ethics in a godless time. And even those costume movies plucked from Britain's own history showed a penchant for the pathological. Nigel Hawthorne fell off his royal trolley in *The Madness of King George*, while Emma Thompson and Jonathan Pryce showed how difficult it was, with or without the blessing of Bloomsbury society, to sustain a relationship incorporating gayness (his), nymphomania (hers) and career jealousy (theirs).

Co-existent with torment, 1995 had a tendency to the weirdly serene. Romantic love, thrown away in the free-sex 1980s and '70s, is boomerang-

ing back in the disease-perilled 1990s. The principle is that the less you can touch your object of desire, the more charged may be the feelings with which you gaze longingly into his/her eyes.

So in the west we had Richard Linklater's *Before Sunrise*, about two backpackers (Ethan Hawke, Julie Delpy) meeting cute in Vienna, and Clint Eastwood's *The Bridges of Madison County*, about two Hollywood wrinkles (Eastwood and Sissy Spacek) meeting cute in Iowa. There were tears before curtain time in both cases.

Further east, Hong Kong's *Chungking Express* and Taiwan's *Eat Drink Man Woman* were each multi-strand love stories woven into the tapestry of a society. They showed miraculous ability in combining the tender, the passionate, the comic and the deeply satirical.

The east also mirrored the west in accommodating vast supplies of black comedy. From mainland China came *Zhou Xiaowen*, a wondrously observed *Ermo*, about a consumer-minded wife determined to acquire the so-called good things of life, mainly a new TV, while tramping on the actual good things (husband, health, morals). Also from China, Zhang Yimou's *Shanghai Triad* was a tragic masterpiece about truth and betrayal, pillaged with choice moments of gallows comedy.

Between east and west there was a now predictable chasm called Continental Europe. In my best-of-year list, containing two dozen front runners and 30 back-up films, there are precisely two titles from this land-mass. They are France's *Le Héros*, Matthieu Kassovitz's irresistibly rough-drawn picture of a crime-battered France, and Italy's *Il Postino*, directed by a Briton, Michael Radford, and starring a Frenchman (Philippe Noiret) playing a Chilean poet (Pablo Neruda). Against odds, its tale of autumnal friendship was touching.

The lonely distinction of these films emphasised the Euro-barrenness all around; we know we are in trouble when the good movies from Europe are outshone by those from New Zealand. Nothing from France, Germany, Spain or Italy surpassed Peter Jackson's *Heavenly Creatures* and Lee Tamahori's *Once Were Warriors*. *Heavenly Creatures* was a sumptuous black comedy (again) about two

schoolgirl killers. Its oblique, faint intelligence made it everything that Oliver Stone's flashy *Natural Born Killers* should have been. *Warriors* was a ferocious tale of disintegrating family life among urbanised Maoris. Tamahori, not surprisingly, was snatched up by Hollywood.

There are few other radar blips on the screen. India's *Bandi Queen* provided a brief glow of power from the subcontinent. And *Babe* was a lone squeak from Australia, in which the most off-putting idea of the year, a talking piglet, turned into the most quaintly lovable reality.

*Babe* must also have been the cheapest scene-stealer of the year. In Hollywood star salaries are reaching a point of dementia. Fees of \$20m - virtually the budget of *Gandhi* - are doled out to the likes of Jim Carrey and Sylvester Stallone. The first for sagging bravely through the shambles of *Baywatch*. *Forever*, the second, for still being in work after super-flops like *Judge Dredd* and *Assassins*.

The madness has spread out to whole movies. By year's end *Waterworld*, the high point of fiscal delirium in 1995, had become a barely remembered folly. I was reminded of it only because I saw them again, Costner and Tupper and Erika of sloshy spectacle, hilling passengers to sleep on my transatlantic red-eye.

Hollywood accountants will no doubt argue that a new movie is now a mini-industry. It recycles itself into cassettes, laserdiscs and CD-ROMs; it begets toys and T-shirts; it becomes a novelisation, a game, a theme park sideshow.

In compensation, there is the other side of the American cinema equation. So much rampant emptiness finally produces an equal and opposite reaction. The US independent films we have lauded are just that, a growing army of Davids advancing to challenge the Goliaths or at least to draw sceptical attention to their muscle-bound giantism.

For every *Waterworld*, there is a *Clerks*. For every Stallone there is some unheeded or pinhead hero - the gangster-outwitting boy of *Fresh* or the acne'd Everyteenager of *Spanking The Monkey* - who realises that small is beautiful and that wit, irony, grace and subtlety can still be made in the US.

Best of 1995: *Clerks*, *Chungking Express*, *Chances*, *Crumb*, *Ed Wood*, *Ermo*, *Heavenly Creatures*, *Martha and Ethel*, *Shanghai Triad*, *Spanking The Monkey*.



Stumptuous black comedy from New Zealand: Melanie Lynskey in 'Heavenly Creatures'

## Cautious optimism in the saleroom

Expectations have been readjusted this year, writes Antony Thorncroft

Things are looking up. The auction houses and the dealers inevitably hype the art market, but in 1995 the facts began to support the view that, after almost five years of recession, there was demand for works of art of the finest quality and collectible.

The figures tell it all. Sotheby's managed an impressive 25 per cent improvement in sales (in dollars) - in sterling the rise was 21 per cent - to \$1.66bn (£1.05bn). In the final quarter turnover was 32 per cent greater in dollars (34 per cent in sterling), a good pointer to 1996. Christie's sales also rose, by 15 per cent (in dollars, 14 per cent in sterling), to \$1.4bn (£881m). In the more mundane world where auction houses sell antiques to the middle-classes, Phillips managed a 7 per cent increase to \$97.8m and Bonhams continued its recent spurt by adding 14 per cent to \$40m.

Prices, however, are still below the heady heights of the late 1980s. This was well illustrated in the sales of Impressionist and Modern art. Strong demand in the summer in New York persuaded sellers to place their treasures in winter auctions. And they found buyers, especially at Christie's, which sold 95 per cent by value of its main evening sale for \$107.7m. The highlight was a major Picasso, "Le miroir", which made \$20m. But in 1989 it sold for \$26.4m. Sotheby's sale was less successful,

mainly because it allowed a major vendor to insist on an unusually high reserve. But a late Van Gogh, "Forest glade", made \$26.9m. More indicative of the state of play was a Picasso bar scene, "Le divan japonais", which fetched \$3.8m. In 1989 it was sold for \$3.25m. Slowly sellers have readjusted their expectations down to the dealers and are coming into line with bargains and buyers.

The highest price paid at auction during the year, indeed the highest for a painting since 1990, came from an Englishman, Sir Andrew Lloyd Webber, for yet another work by Picasso: his "blue period" portrait of Angel Fernandez de Soto which sold in May for \$29.2m. Sir Andrew was doing his best to kick-start the market: once the big players return, renewed confidence will filter down to the dealers in the Falmouth Road and the Cotswolds. This is happening, but fitfully.

Sotheby's was happy with its major winter Impressionist and modern sale in London, which totalled \$15.6m and was 85 per cent sold by value. A tiny, gem-like Gauguin did well at \$2.2m. Christie's brought in

\$18.2m, with a Brancusi bronze making a disappointing \$2.2m. Like New York, both recorded their best results in this sector since 1990, which means that in 1996 yet more choice works will reach the salerooms - many from Japan which has a vast stock of overvalued post-1950 art acquired during the '80s.

As well as pictures this era of crazy buying embraced jewels, but while art prices have often halved, the value of top quality jewels, especially blue diamonds, just passed. Some of the richest people in the world are buyers, notably the Sultan of Brunei, and there seems to be no dimming of their enthusiasm.

In Geneva in November jewellery owned by the Princess Salimah Aga Khan, the recently-divorced wife of Aga Khan, sold for \$17.7m at Christie's, with every lot finding a buyer. The star lot, a deep blue heart shaped diamond of 13.78 carats known as the Begum Blue, went to the London retailer Laurence Graff for \$5m. In May in Geneva Sotheby's sold a 100 carat diamond to Sheikh Ahmed H. Fathi for \$10.5m, a record for a jewel of any kind.

There are very few British buyers for the best post-1970 art or for the best jewels. UK collectors stick to furniture, silver and British art. Here the improvement in demand is more modest, but still real. Christie's was encouraged by its November auction of modern art, which was 80 per cent sold by value.

Stanley Spencer's "Crucifixion" doubled its estimate, selling for \$463,500, a return to its peak price levels of 1990. Mummings was also in demand, with "Shrimp and the white pony", making \$205,000. The star of the year, however, was L.S. Lowry: "Political meeting" sold for \$122,500 while at Sotheby's "Peel Park School" just topped \$100,000. Furniture survived the recession stronger than other markets and in 1995 Christie's sales of English furniture alone topped \$21m. At Sotheby's in November 87 per cent of the lots offered sold, with a George III Chinese mirror painting making a record \$298,500.

In December Sotheby's Old Masters sale totalled \$20.3m, its highest

since 1989, but this is still a selective market. One of the few Rembrandts still in private hands made a modest \$3.85m, because its mythological subject was untypical, while "The finding of Moses", painted by Gentileschi for King Charles I, was inexpensive at \$5m. Dutch 17th-century and French 18th-century paintings are sought after, and Christie's did better than it expected when a Canaletto view of San Marco topped \$1m.

Another feature of the year was celebratory sales. Link an antique to a famous name and its value soars. This was notably true with Rudolf Nureyev. The contents of his apartment in Paris and New York totalled almost \$7m at Christie's, double the estimate, with the extraordinary price of \$22,075 paid for one pair of battered pink ballet shoes.

Every year is a good one for collectables, which attract buyers bewitched by the image of an object rather than by its intrinsic value. In September a world record was set at Sotheby's for a pop music manuscript when Paul McCartney's handwritten lyrics for "Getting better" sold for \$161,000, quite close to the

\$276,500 which a few weeks later secured the autograph manuscript of the seminal First World War novel "All Quiet on the Western Front".

At Christie's South Kensington a 1790 Valentine card made a record \$770; a typewriter a record \$55,750 (although it was the gold plated model on which Ian Fleming based one of his James Bond novels); a Win-the-Pool first edition a record \$8,750; and an Enjalbert Photo-revolver de Poche spy camera a record \$55,775.

The most significant change happened behind the scenes. In the spring Christie's, then Sotheby's, announced that they would no longer negotiate for important collections. Much of their profit was disappearing as owners played one saleroom off against the other. From September they both applied a sliding scale of charges, which means that even owners of properties valued at over \$2m must pay - but only 3 per cent of the hammer price. Dealers are still finding life difficult and even antique fairs, which blossomed during the recession, now offer no guarantee of business. There are just too many of them. But 1995 was generally better than 1994 and the more experienced dealers are telling themselves that the market has returned to normal after the quite unreal trading conditions of the mid-to-late '80s.

Pop  
Simply Red and Pulp

Pop stars and Christmas: it may be a recent seasonal tradition but it is already deeply rooted. Some artists only appear at Christmas - Gary Glitter gathers the gang for an annual knees-up and then recuperates for 12 months; some, like Status Quo, use it to bless the faithful; and some have albums to promote.

Mick Hucknall, who lightly hides behind his magnificently makeshift band, Simply Red, has just released *Life*, his follow up to *Stars*, which went platinum 12 times in the UK alone. The new songs featured heavily in his Wembley shows. We may grow to love them all but I doubt it.

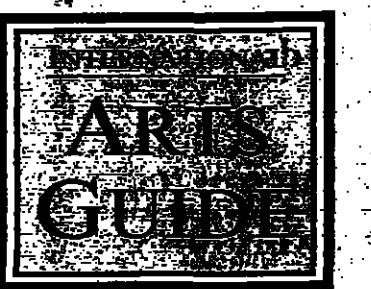
Hucknall, a dead ringer for a pixie with his matted red dreadlocks and impish face, somehow manages to create an atmosphere with the voice alone: the finest white funk. Perhaps he knows he is not the most charismatic of performers so he conjures up a wonderful set - a sinuous walkway of delight snaking across the heart of the Arena, on which he trots and rather sweetly courts the audience; his musicians amble with emphatic purpose, especially Hector Perera on guitar, and the two black backing singers strut with "you dare" attitude.

With festive good will it was all quite agreeable, but the new, slower, ballads sound ponderous, and the more ambitious songs, like the reggae based "Hillside Avenue", forced. Of the fresh material only "Fairground" and "Remembering the first time" have the glister of standards. You long for the old hits, "A new flame" and "Stars", the happy melodies that dance along; and when they come Hucknall delivers gold, living proof that a white man can have soul.

Jarvis Cocker dominates his band, Pulp, even more than Hucknall is Simply Red. In fact his musicians are embarrassingly invisible when set against the Cocker persona. Cocker, in his early twenties, has already managed to become a great English eccentric. His unique selling proposition is that he is very nice, a gangly, even etiolated, youth in a shiny black suit who loves his mum - few pop stars can have spoken so often and warmly on stage about their mother - and still finds time to ask his audience at the Brit Awards for advice about where to go on New Year's Eve.

Then there are the songs. Cocker writes in unobscured flow about the small lives of suburban youth; about idling at bus stops talking of girls, and car-crushing. Sadly, reading the lyrics quietly is almost as enjoyable as hearing them performed: some of Cocker's tunes are tentative in the extreme. But when the melody does fit, as in songs like "Babies", Britpop has found its most subtle and infectious practitioner. If Cocker can hold on to the mundane he could develop into a national icon, a musical John Betjeman.

A.T.



## BERLIN

CONCERT  
Deutscher Oper Berlin  
Tel: 39-30-3438401  
● Garmine Burasli by Orff. Performed by the New London Consort, with conductor Philip Pickett, and the Chor und Orchester der Deutschen Oper Berlin, conducted by Rafael Frühbeck de Burgos. Soloists include Flormula McCarthy, George Fortune and Uwe Pape, 7.30pm; Dec 29.

Konzert  
Tel: 49-30-203082100/1  
● Rundfunk-Sinfonieorchester Berlin: with conductor Rafael Frühbeck de Burgos and the Rundfunkchor Berlin perform Beethoven's "Choral Fantasy" and "Symphony No. 9". Soloists include pianist Annerose Schmidt, soprano Eva Johansson, alto Uta Welter, tenor Endrik Wotrich and bass Erich Krodt, 7.30pm; Dec 30, 31 (4pm) Philharmonie & Konzerthaus  
Tel: 49-30-254880  
● Berliner Philharmonisches Orchester: with conductor Claudio Abbado, the female singers from the

## BIRMINGHAM

CONCERT  
Symphony Hall  
Tel: 44-121-2123333  
● Hallé Orchestra: with conductor Martin Yates and the Pro Music Chorus of London perform Act II, New Year's Eve party scene from J. Strauss' "Die Fledermaus" and excerpts from Lehár's "Die Lustige Witwe". Soloists include Amanda Thorne, Lillian Watson, Gloria Parker and Philip Salmon; 7.30pm; Dec 30  
● Mozart in Costume: the Mozart Festival Orchestra with conductor Ian Watson and horn-player Jeffrey Bryant perform works by Mozart in authentic 18th-century costumes; 7.30pm; Dec 29

## BONN

MUSICAL  
Oper der Stadt Bonn  
Tel: 49-228-7261  
● Anastasia by Bock. Conducted by Hansgeorg Koch and performed by the Oper Bonn. Soloists include Katja Bellinghausen, Jacqueline Kommler, Bert Oberdorfer and Peter Beck; 8pm; Dec 29, 30

## COPENHAGEN

DANCE  
Det Kongelige Teater  
Tel: 45-33 14 10 02  
● The Triumphant Death

chorography by Flindt after Inosenco's play "Joux de Massacre", performed by the Royal Danish Ballet; 8pm; Dec 30

## DRESDEN

OPERA & OPERETTA  
Sächsische Staatsoper Dresden  
Tel: 49-351-49110  
● Le Nozze di Figaro: by Mozart. Conducted by Wolfgang Rennert and performed by the Sächsische Staatsoper Dresden. Soloists include Andreas Scheibner, Claudia Kuntz, Eva Kröhner and Jukka Rasilainen; 7pm; Dec 29

## HAMBURG

EXHIBITION  
Hamburger Kunsthalle  
Tel: 49-40-24962612  
● Jannis Koumellis: Koumellis created an installation for the museum at its special request. At the same time a retrospective of his work is on show; to Jan 7  
OPERA & OPERETTA  
Hamburgische Staatsoper  
Tel: 49-40-351721  
● La Bohème: by Puccini. Conducted by Elio Boncompagni and performed by the Hamburg Oper. Soloists include Lucia Mazzarella, Franco Farina and Albert Schädigall; 7.30pm; Dec 29; Jan 2

## LAUSANNE

OPERA & OPERETTA  
Théâtre de Bâle  
Tel: 41-21-6432211  
● La Comte d'Orly: by Rossini. Conducted by Evelino Pito and performed by the Orchestre de Chambre de Lausanne and the

Choeurs de l'Opéra de Lausanne. Soloists include Alessandro Corbelli, Valérie Lecoq, Jeffrey Francis and Nadine Chéry; 8pm; Dec 31 (7pm); Jan 3, 5, 7 (5pm), 8, 11

## LONDON

CONCERT  
St. Martin-in-the-Fields  
Tel: 44-171-8300089  
● Annetta Servadei: the pianist performs works by Sibelius, Grieg, Mendelssohn, Rachmaninov, Brahms and Liszt; 1.05pm; Dec 29  
Wigmore Hall Tel: 44-171-9352141  
● Brindisi String Quartet: with pianist Barry Douglas perform works by Purcell, Bartók and Brahms; 7.30pm; Dec 30  
JAZZ & BLUES  
Royal Festival Hall  
Tel: 44-171-9604242  
● Robert Carter Quintet: piano-led contemporary jazz classics and originals, featuring Andy Paney (saxophone), Martin Shaw (trumpet), Tim Wells (bass) and Mark Fletcher (drums); 5.15pm; Dec 29  
OPERA & OPERETTA  
Royal Opera House - Covent Garden  
Tel: 44-171-3044000  
● Aida by Verdi, Conducted by Daniele Gatti and performed by The Royal Opera. Soloists include Sharon Sweet, Nina Terenteva, Leah-Marten Jones, Dennis O'Neill and Simon Estes; 7.30pm; Dec 30

## LOS ANGELES

EXHIBITION  
Los Angeles County Museum of Art  
Tel: 213-857-6522  
● Georg Baselitz: this large-scale

exhibition, which premiered at the Guggenheim Museum in New York, surveys Baselitz's works over the past 30 years, including 100 paintings and several sculptures; to Jan 7

## MUNICH

CONCERT  
Philharmonie im Gasteig  
Tel: 49-89-48088508  
● Symphony No. 9: by Beethoven. Performed by the Münchner Philharmoniker with conductor Dennis Russell Davies and the Philharmonischer Chor München. Soloists include Reinhold Finkler, Alexander Spemann and Hans Sotin; 8pm; Dec 30, 31 (5pm); Jan 2

## NEW YORK

CONCERT  
Avery Fisher Hall  
Tel: 212-875-5030  
● New York Philharmonic: with conductor Leonard Slatkin and soprano Julia Migenes perform works by Gershwin, Rodgers, Anderson, J. Strauss, Lehár and others; 8pm; Dec 30  
JAZZ & BLUES  
Blue Note Tel: 212-475-8592  
● Nancy Wilson & her Trio: featuring Lew Matthews, John B. Williams and Roy McCurdy; 9pm & 11.30pm; Jan 2, 3, 4, 5, 6, 7

## PARIS

EXHIBITION  
Galerie Nationales du Grand Palais  
Tel: 33-1 44 13 17 17  
● Rétrospective Paul Cézanne: major retrospective exhibition of works by the French painter Paul

Cézanne. The exhibition includes paintings and watercolours by Cézanne lent from private and public collections throughout the world. In 1996 the exhibition will also be on display in London and Philadelphia; to Jan 7

## STUTTGART

OPERA & OPERETTA  
Staatstheater Stuttgart  
Tel: 49-711-221795  
● Fidelio: by Beethoven. Conducted by Robert Spano and performed by the Oper Stuttgart. Soloists include Anne Evans, Louise Walsh, Michael Ebebecke and Wolfgang Probst; 7.30pm; Dec 30; Jan 4  
● La Traviata: by Verdi. Conducted by Francesco Corti and performed by the Oper Stuttgart. Soloists include Carla Besta, Annette Kuhn, Alexander Fedin and Jörn Wising; 7.30pm; Dec 28

## ZURICH

OPERA & OPERETTA  
Opernhaus Zürich  
Tel: 41-1-268 6666  
● Die Frau Ohne Schatten: by R. Strauss. Conducted by Christoph von Dohnányi and performed by the Oper Zürich. Soloists include Gabriele Lechner, Anja Silja and Gwyneth Jones; 8pm; Dec 30

## WORLD SERVICE

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## COMMENT &amp; ANALYSIS

One of the joys of dealing with corporate America is the names of the companies themselves. Granted, some are so dull as to strain belief: Standard Products, of Cleveland, Ohio; or Allied Holdings, of Decatur, Georgia. But there are any number of gems to compensate: Otter Tail Power, Equitable Bag, Grease Monkey Holdings or the Bugabo Creek Steak Company (stock symbol: RARE).

The more exotic names can be classed under three headings: those that describe what the company does, those that do the reverse and those that are total gibberish.

Take, in the first category, Great American Backrub. As you might expect, it rubs people's backs. Similarly, Just For Feet Inc. runs a chain of shoe shops.

In the second class, a fine specimen is the boldly named Giant Group. Until recently, this was a small and struggling cement-maker in South Carolina. After a rather abrupt change of business it is now a tiny and struggling drive-through hamburger chain in Beverly Hills.

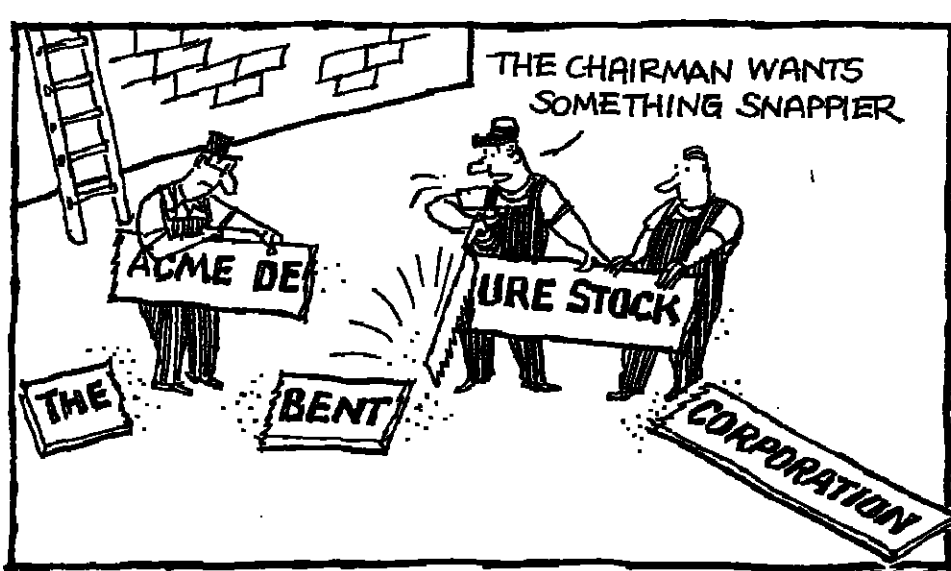
Or again, take the retail chain All For A Dollar, of Springfield, Massachusetts. It used to sell a wide range of goods - toys, books, sweets - each for the aforesaid sum. Early this year it went bust. It could now be renamed All For 35 Cents, since it is paying that amount on the dollar to its creditors.

The gibberish category offers the richest field for speculation. In what business might the Aristocrat Corporation be? Something abstruse and learned, plainly. No, actually, it makes women's underwear.

Here are some less obvious ones: try guessing the business of Phaseout of America, the Failure Group, and Smart and Final.

Consider the splendidly entitled Frontier Adjusters of America. The purpose of this outfit seems clear, if slightly startling. One pictures its operatives at work under cover of darkness: chipping off a piece of Canada here, a chunk of Mexico there. The reality - that it is a small insurance company in Phoenix, Arizona - is almost too dull to bear.

Such quirks aside, a broader question arises. Why is it that some industries in America produce companies with nice



## Game of the name

Tony Jackson sifts through the prosaic, dull and delightful things US companies call themselves

Names, some with ugly ones? In ugliness, the winner by a fair margin is the biotechnology industry. Andous to show how high-tech and exciting they are, biotech companies take a handful of terms - gene, tech, bio, immune, enzyme - and bang them together at random.

Thus Genentech and Genzyme, Biogen and Immunofen, Gendex and Immunex. When the attempt is made to be more imaginative, the results are horrible. Bioject, Medclone and DepoTech. Worst of all are the puns: SciClone Pharmaceuticals, PeriSeptive Biosystems and Inocyte.

One might infer that all technologists were tone-deaf as

Names can be classed under three headings: those that describe what the company does, those that do the reverse and those that are total gibberish

well as boring. But in high-tech electronics, some of the names are rather pretty - Apple, Lotus, Cypress Semiconductor and Cirrus Logic. There is even one that contrives to poke fun at that tired old prefix, General (as in General Motors and General Mills); the software company General Magic.

Given the restless nature of corporate America, the names of companies are always changing. It is also characteristic of America that there should be a company that devotes itself to recording those changes, called Interbrand Schechter (a name that could use some work itself).

On average, Interbrand Schechter says, one American company in 50 changes its name every year. Its list of changes this year is dispiriting. The trend is pretty uniform. For an interesting name, substitute a boring one: for a boring one, a set of initials.

Universal Medical Buildings has managed the remarkable feat of making itself sound less interesting by renaming itself Integrated Healthcare Facilities. Explosive Fabricators has become Dynamic Materials. American Colloid is now AMCOL International Health-Mor Inc. has become HMI Industries.

Public utilities, seemingly

frantic to hide their origins, have sought disguise either in initials or in pure vagueness. Rochester Telephone has become Frontier Corp. Another phone company, Southwestern Bell, is now SBC Communications. Pennsylvania Power & Light has turned into PP&L Resources.

Sadly, the phenomenon is not confined to the US. Old far eastern hands will recall that the empire of Sir Y.K. Pao was once called the Hong Kong and Kowloon Wharf and Godown Company Limited. In these drab days it is known as Wharf (Holdings).

Check the UK stock prices in this newspaper under the heading of "Building Mats and Merchants", and you will find a company by the unremarkable title of Bredon. A mere decade ago it glowed in the name of The Bredon and Cloud Hill Lime Works.

America, though, is still the land of the free. For every new set of initials, there will be a name to fire the imagination or challenge logic. So let's hear it for the originals: Consolidated Cottonbolls, Rocky Shoes and Boots, and the Fifth Third National Bank.

*Phaseout of America makes a device to help people stop smoking. The Failure Group analyses engineering failures. Smart and Final is a food distributor.*

## LEADERS FOR A NEW MILLENNIUM

Condoleezza Rice • By Christopher Parkes

## Package still under wraps



'The danger in a university is that you can over-structure or over-predict'

Conviction rather than planning has carried Ms Condoleezza Rice beyond the limits of most mortals' expectations.

She looks back with unabashed pride and confidence on a two-year appointment in Washington at the start of the decade. Then, as the Soviet affairs specialist at the elbow of former president George Bush, she called the odds on German unification and the end of the Soviet empire.

Now she marshals the revolutionary forces of higher education from her position as provost at California's famed Stanford University. And she is still only 41.

"I don't find the package in which I come all that interesting," says Ms Rice. Her youth, colour, sex and - in the context of her post at a liberal-thinking stronghold - her Republican party membership have long been considered remarkable.

Fans tout her as a future secretary of state. Her teacher father, bringing her up in "Jim Crow Alabama" instructed her that while "Whites only" signs barred her from eating in Woolworth's cafeteria, there were no such obstacles to her becoming president of the United States.

While she has no shortage of conviction, she says forward planning takes up little space on either her personal or professional agenda.

"The danger in a university is that you can over-structure or over-predict what the future is going to look like rather than create the conditions in which the future emerges rather naturally," she says.

The \$43m deficit she took on when she arrived is shrinking under her brisk cost-saving regime. This approach led her into hot water shortly after her arrival, with protests and a student hunger strike over service and staff cuts. Although she was shaken by the reaction, she has no time for complaints that she lacks compassion. "I am direct," she says. The faculty way of building consensus may have its merits. "But sometimes someone has to draw a line between informing, consulting and deciding."

Administrative chores apart, Rice sees herself primarily as an educator. She is collaborating on a book-cum-research project which addresses her interest in the role of the military in politics. But she reserves most of her energy for the job of maintaining the ferment at Stanford - "the cacophony" she calls it - which makes university one of the "few transforming experiences we have left".

Freshmen and leading-edge researchers, 19-year-old Nebraskans and 60-year-old foreign Nobel laureates come together at Stanford. "People with myriad experiences

from the city or the countryside. People with different cultural backgrounds. American universities are places where social strata are being violated all the time," she says.

She contributes personally to the ferment with an annual wage. "I bet our freshmen each year that 30 per cent of them will end up studying something here which they did not even know existed when they arrived."

"That is the nature of higher education," she says with the conviction of one who went from Birmingham, Alabama, to Denver University to study music before switching to international politics.

However, she seems troubled that she can see less of the steely resolve that assured her own future in today's students. "There is less of the belief that they can overcome whatever obstacles are placed in front of them. They have a tendency to think of themselves statistically rather than individually. They say 'if X happens to Y per cent of women, it follows that I have a Z per cent chance of whatever.' She says: 'I don't think I ever had that sort of conversation with myself.'"

Although no stranger to the forces of change in the world beyond Stanford, she

claims no inclination or desire to return to the foreign affairs arena. "I don't suffer from Potomac fever in the way it afflicts many people who have worked in Washington and spend the rest of their lives wanting to go back. I can say in all honesty that I don't spend a waking moment thinking about whether to go."

Such a lack of ambition is understandable for a Republican sitting out another Democratic presidency. But Ms Rice says it is hard to see any circumstances that would tempt her back to Washington. "I had a chance to finish so much in those two years that I have no thirst to try to do it again," she adds.

Political events apart, she sees little prospect of resurrecting the personal circumstances which made her spell at the former president's side so memorable. "I ask myself if I would ever have that constellation of forces, events and personalities again... a president I adored... George Bush, for whom the great issues at the end of the cold war were priority number one."

"My colleagues were the smartest people I had ever met, and we all hit the ground together with resolution of the issues that I had been taught were the most important in the international policy field on the table. Yes, maybe I have been spoiled."

And if the lessons have been absorbed, the convictions which steered her through the events of five years ago have been sharpened even further.

"On German membership of Nato, I was told by lots of people to go for something sub-optimal. I was told the Soviets would never accept Germany unified and integrated into Nato with US forces still on the ground and Soviet forces going home. I was told it would be intolerable to the Russians and not to even try it. "As a matter of fact, that's exactly the deal we got. Now, as a result, when you look at Nato's role in Bosnia you say to yourself if we'd gone for something less than that - something sub-optimal - we would now have a shell of an organisation, not one that is capable of taking on the kind of problem it's about to deal with."

She allows her voice to take on the faintest tinge of triumph. It is a rare show of emotion in an hour during which her bright voice dips only in references to her father and her personal beliefs.

"I look at life in quite a linear fashion. I don't look too far ahead," she says. "If you try to plan what your next adventure is going to be, it is a sure bet you are not going to enjoy it or do a good job with whatever you are doing now."

## LETTERS TO THE EDITOR

Number One Southwark Bridge, London SE1 9HL

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## A way out for Names - or bully-boy tactics

From Mr Nicolas Mellersh.

Sir, Proof that Christopher Stockwell, the chairman of the Lloyd's Names Associations' Working Party, has finally lost touch with reality is provided by your story of December 23 ("Government sends tough 'run-off' warning to Names").

If he really believes that the government is unlikely to take action to freeze the assets of Names because it would involve action "against thousands of members of the electorate", he must also believe in Santa Claus and that pigs have no problem flying.

Apart from the harmonisation of excise duties with the rest of the European

Union, it is hard to think of a measure more popular with the electorate than emptying the pockets of a bunch of fat cats with more money than sense who are whingeing about losing money in the casino they fought to join.

That is how he and I and the rest of the membership are seen by the world at large. The only way out for all of us is by way of the reconstruction and renewal plan, however imperfect that may be.

Nicolas Mellersh, Glengarry, 26 Fish Lane, Aldwick, Bognor Regis PO21 3AH, UK

From Mr J. Garton-Jones.

Sir, Members of the Names Defence Association have never objected to paying valid and lawful claims. However, the association believes that not all Lloyd's claims are valid or lawful, therefore the Department of Trade and Industry may be in no position to seize members' assets or enforce payment.

We believe that Lloyd's and its agencies should open their accounts to independent scrutiny. They will not permit this and Names will draw their own conclusions.

The DTI's suggestion that allowing Lloyd's to go into run-off would cause a rapid

crystallisation of claims in a way different from the establishment of Equitas is spurious. Names are being asked to fund Equitas now with reserves against future claims, in effect crystallising claims immediately, a situation no different from the one the DTI threatens if Equitas is not established and Lloyd's goes into run-off.

Names would be unwise to yield to these threats and bully-boy tactics.

J. Garton-Jones, vice-chairman, Names Defence Association, Westlands, Weston Rhyn SY10 7LB, UK

## Roulette of flexible strategies

From Mr Andrew Campbell.

Sir, In your Lex column of December 15 you have actually read the statistics. Which? magazine has a habit of using a sample of 30 or 50 to prove allegations against

arguably 140,000 financial advisers.

It is not prescriptive about how it picks its advisers and has a sloppy and inaccurate methodology when it comes to assessing information that it collects.

Mr Lawrence mentions Knight Williams which had a reported 400 complaints against its investment advice. This out of 24,000 clients. The company having been forced into liquidation apparently leaves 23,800 reasonably satisfied clients without financial advice because of a less than 2 per cent error rate.

Mr Lawrence refers to pensions mis-selling. Out of the reported 6.4m policies put into force over a three to four-year

## Advisers' role defended

From Mr Terence O'Halloran.

Sir, In support of Barry Riley, I wonder if Mr Lawrence (Letters, December 15) has ever actually read the statistics. Which? magazine has a habit of using a sample of 30 or 50 to prove allegations against

arguably 140,000 financial advisers.

It is not prescriptive about how it picks its advisers and has a sloppy and inaccurate methodology when it comes to assessing information that it collects.

Mr Lawrence mentions Knight Williams which had a reported 400 complaints against its investment advice. This out of 24,000 clients. The company having been forced into liquidation apparently leaves 23,800 reasonably satisfied clients without financial advice because of a less than 2 per cent error rate.

Mr Lawrence refers to pensions mis-selling. Out of the reported 6.4m policies put into force over a three to four-year

period, how many have evidenced signs of mis-selling? The head of the pensions unit, Joanne Hindle, in June mentioned that they had had 12,500 telephone calls - not complaints, calls. Under 2 per cent.

Mr Lawrence may be interested to learn that my own investigations taking in nearly 500 financial advisers reveal an industry failure rate on all mis-selling in any circumstances over the financial lifetimes of all clients interviewed in a 12-month period of 5.6 per cent.

Not good but not "appalling", not "most advisers", not £32m per year of regulation and certainly not enough to justify 330 people employed by the PIA.

Terence O'Halloran, O'Halloran & Co, St James Terrace, 88 Newland, Lincoln LN1 1YA, UK

## Student loans run unfairly

From Mr Tim Miller.

Sir, Some years ago I was invited to become a non-executive director of the Student Loans Company. At the time I thought the payment proposals were unfair. They hinged on the proposition that on average, graduates earn more than non-graduates.

But the averages hide lots of graduates who do not earn more. I said I would only accept if there were a fairer method of recovering loans.

I suggested adjusting the individual's tax code, so if the course produced higher earnings the costs would be automatically and relatively painlessly recouped. But simplicity and fairness were not on the agenda. Maybe the time has come to review them.

Tim Miller, chairman, Portfolio Fund Management, 64 London Wall, London EC2M 5TP, UK

## Canadian labour costs undercut US

From Mr Harry Baumann.

Sir, In your Lex column of December 19 on the purchase of Neilson by Cadbury Schweppes you note: "Canadian labour costs are higher than those south of the border." Canadian wages have not been above their US equivalents since 1983. The US

Bureau of Labour Statistics quotes total compensation costs of \$15.31 per hour for the US and \$14.70 for Canada in the food, beverage and tobacco industry in 1993.

It is possible to find community by community comparisons for which the national average does not

apply. However, in general terms, higher Canadian compensation costs are now behind us.

Harry Baumann, Government of Canada, Privy Council Office, 1 Front Street West, Toronto, Ontario M5J 1A4, Canada

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## FINANCIAL TIMES

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Thursday December 28 1995

## Bleak outlook for Turkey

Two weeks ago the European Parliament swallowed its scruples over human rights and voted to approve the customs union between Turkey and the EU, which thus comes into force next week. MEPs had been given to understand that by doing so they could avert a victory for Islamic fundamentalists in the approaching Turkish elections. Any who were swayed by this argument must have been dismayed to learn from news bulletins on Christmas Day that the Islamists of the Refah (Welfare) party had triumphed after all.

The result is, of course, more complex than that. With 21 per cent of the popular vote and 29 per cent of the seats, Refah will indeed be the largest group in the new Turkish parliament. But its supporters are still easily outnumbered by the combined strength of the two pro-western conservative parties – the True Path party (DYP) of the incumbent prime minister Tansu Ciller and the rival Motherland party (Anap) led by Mesut Yilmaz. Those two parties won 39 per cent of the popular vote and together fall only just short of an overall majority, which they can attain by forming a coalition with either or both of the two secular leftwing parties. On Tuesday they announced their intention of doing just that.

### Rearguard action

The irony is that Anap and the DYP would have had an overwhelming majority in the outgoing parliament if they could have sunk their differences, which relate almost entirely to personalities and to past history. Their inability to do so meant that Mrs Ciller governed in coalition with social democrats who fought a damaging rearguard action against the more liberal aspects of her economic programme. Now the conservatives will need to collaborate both with leftists and with each other if they are to keep Refah out of power. And the fact that the two conservative parties are now exactly equal (the DYP having three more seats than Anap but a fractionally lower popular vote) will make it harder to agree on a new government.

The elimination of parties winning less than 10 per cent of the

national vote, supposed to strengthen political stability, could have the opposite effect in this case. The extreme right, hitherto represented in parliament by the National Action party, may now be tempted by violence. More serious is the exclusion of Refah, the party which won the largest number of votes in four south-eastern provinces by campaigning for a peaceful solution to the Kurdish nationalist uprising. Many Kurds in that area will see their own preferred candidates excluded from parliament in favour of others who won fewer votes. This can only strengthen the feeling that there is no way to assert a Kurdish identity in Turkey, except by armed struggle.

### Kurdish priorities

The Kurdish issue, along with inflation and unemployment, is one of the priorities Necmettin Erbakan, the Refah leader, says he would like to pursue in a coalition government. He has not spelt out how he would solve it, and his economic nostrum such as exchange controls and the gradual abolition of interest on bank loans would hardly improve the economy. But it is perhaps a pity that he will not be given the chance to try.

Instead Turkey is likely to live through a further period of political instability, with a divided, fractious and probably corrupt governing coalition whose only apparent *raison d'être* will be to keep Mr Erbakan out of power. To have a hope of success, the ruling parties must confront the economic problems that have created the conditions for Refah's success. They must stabilise the economy and carry through radical reform to put Turkey on the path of rapid and sustained economic growth. Unfortunately, things have been left so late that failure to undertake the task would make it easy for Refah to continue winning support, and even a serious attempt would not necessarily reverse the trend. Unless Turkey's secular politicians can improve spectacularly – as their past record, the prospect of an "Algerian" scenario – in which the country ends in a war between a secular establishment and a radical religious opposition – is all too real.

## Jobs for the new year

Long-time critics of European monetary union looked on with ill-disguised glee last month at the bedlam in Paris caused by the example of Mr Alain Juppé, French prime minister, to steer the austere course to a single currency. Euro enthusiasts such as Mr Juppé face a particular, political challenge over the coming year: explaining the benefits and relevance of a single currency to an as yet underwhelmed electorate. As far as economic policy is concerned, however, every government in Europe is in the same business: needing to prove that reductions in public borrowing can be combined with job-producing growth.

One might conclude, from the modest time devoted to the subject at EU gatherings, that unemployment had dropped sharply in the two years since the European Commission's competitiveness white paper proclaimed it Europe's number one problem. But joblessness has not fallen since 1993 – only policymakers' confidence in their ability to reduce it.

Despite average GDP growth in 1995 of around 2.7 per cent, 11.1 per cent of the European labour force – around 17m people – is out of work. This is roughly the same rate as two years ago, and only fractionally below the 1994 peak of 11.5 per cent. It is also higher than the previous peak of 10.4 per cent in the mid-1980s, and double the rate in 1972.

Part of the reluctance to dwell on such statistics is clearly Euro-related: even supporters tend to assume that attempts to meet the Maastricht criteria for government borrowing and deficit are difficult to combine with any determined effort to boost employment.

### Nordic countries

Yet convergence criteria or no convergence criteria, the sharp rise in public borrowing in Europe over the last 15 months would have had to be tackled. And, even if money were not so tight, the recent, salutary experience in the Nordic countries would have urged against direct fiscal expansion as a response to European joblessness. In fact, reducing unemployment in the present cli-

mate of spending cuts, tax rises and "pausing" growth requires a different approach entirely.

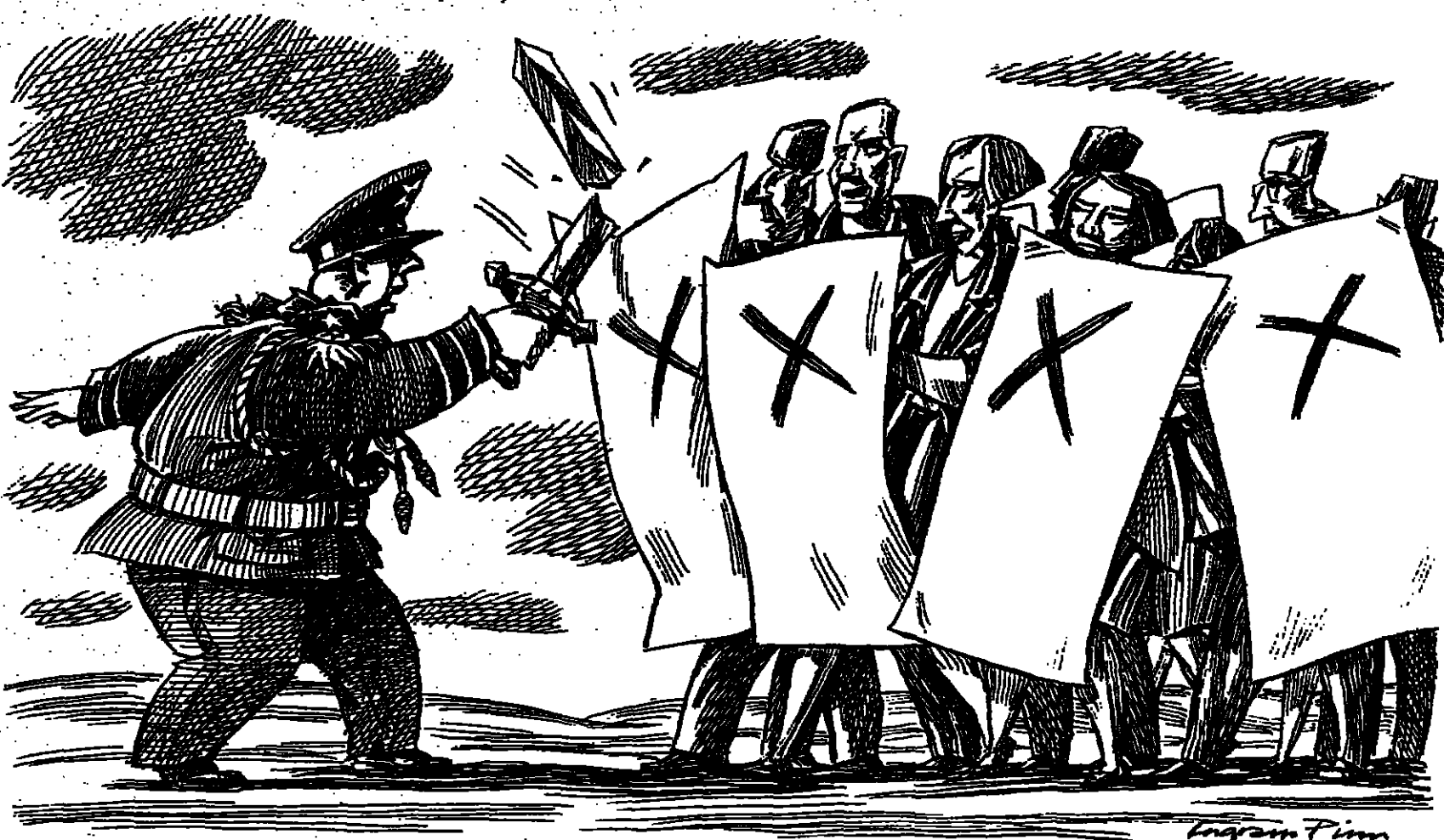
First, and most immediate, central banks should be alert to the need to sustain consumption and investment, as far as possible, through lower interest rates. Responsible growth, built on a compensatory loosening of monetary policy, would ensure that, far from being inconsistent with one another, cutting budget deficits and reducing unemployment went hand in hand. Unemployment benefits cost member governments about 2 per cent of GDP per year, but the total cost, in the form of other subsidies to jobless individuals and families and foregone tax and social security revenues, is a good deal larger.

### Virtuous circle

The recent, downward revisions to European growth forecasts may help to explain the seemingly universal pessimism about Europe's chances of achieving such a virtuous circle of higher employment and lower public spending. But there is a deeper, "structural" pessimism at work, relating not simply to future European growth rates but to policymakers' determination to channel this growth into creating more jobs.

The 1993 white paper reckoned that around two-thirds of European unemployment was "structural". But structural does not mean inelastic. Cutting the level of non-wage labour costs and a degree of labour market deregulation are two potential remedies. Arguably, though, product market restrictions, particularly in continental European service industries, are an equally large obstacle to rapid job creation.

Boosting competition in service industries is largely a matter for individual governments rather than Brussels. But a more vigorous pursuit of the single market, such as in Europe's utilities, postal and transportation industries, would work in the same direction. If the European Commission decides it wants to spend less time next year persuading voters to swallow the costs of monetary union, and more time trying to reduce them, here would be a good place to start.



## Mightier than the sword

Since democracies do not fight one another, their growing number increases the likelihood of peace, argues Martin Wolf

Peace on earth is the promise of Christmas. It has been regularly made and as regularly broken. But the collapse of the Soviet Union and the "peace processes" under way in South Africa, the Middle East and Northern Ireland suggest things may be changing. If so, the reason would not be mass religious conversion, but something more reliable: the growing sway of democracy.

Immanuel Kant, greatest of German philosophers, first described this path. In the late 18th century, he predicted that republics – by which he meant states that enjoy representative institutions, individual checks and balances, individual rights and the rule of law – would not make war upon one another. From Kant, the view that democracy would bring peace descended, via various 19th century liberals, notably in the UK, to Woodrow Wilson, US president during the first world war. Wilson's 14 points, which defined US war aims, "sound almost as though Kant were guiding Wilson's writing hand". His ideas remain, to this day, the most influential and the most politically resonant in the US.

Against Kant stands a still older tradition, which goes back to Cardinal de Richelieu, first minister of France between 1624 and 1642. This is *Realpolitik*, *raison d'état* and the balance of power. "Realism", too, has its US proponents. Dr Henry Kissinger, secretary of state under Richard Nixon. As Dr Kissinger explains in *Diplomacy*, his magnum opus, "*Raison d'état* asserted that the well-being of the state justified whatever means were employed to further it." For the realists, states live in a Hobbesian state of nature, where life is nasty, brutish, but, countries being virtually immortal, long. They acknowledge neither law nor morality, only national interest. And they remain at peace only if

the balance of forces makes this in the perceived national interests of each.

For the realists, how a state judges its national interest is unaffected either by its own political structure or by those of the states with which it is forced to deal. In its prime, the UK ignored changes in other countries' political arrangements, focusing instead on their external policies. Elaborating this traditional British view, Lord Palmerston, foreign secretary and prime minister in the middle of the 19th century, insisted that "we have no eternal allies and no permanent enemies". But "our interests are eternal, and those interests it is our duty to follow".

*Realpolitik* appeals to those who staff the chancelleries of great powers. But a growing body of evidence suggests that Kant was correct. In 1977, Sir Michael Howard, then professor of the history of war at Oxford University, agreed that "one of the first world war, Wilson's 14 points, which defined US war aims, 'sound almost as though Kant were guiding Wilson's writing hand'". His ideas remain, to this day, the most influential and the most politically resonant in the US.

Working with a number of collaborators, Professor Bruce Russett of Yale University has provided the most systematic analysis of the evidence. The study concludes that "democracies are far less likely to use lethal violence towards other democracies than towards autocracies or than autocracies towards one another."

● sovereignty, stable democracies have not waged war against each other in the modern international system; and

● peace among democracies is not just the result of the economic and geopolitical features of these states, but of democracy itself.

Over the past 50 years, pairs of democratic states have only been one-eighth as likely as others to threaten to use force against one another and only one-tenth as likely to carry out such threats. Democracy is not all that matters. The richer and more economically dynamic a pair of countries, the less likely they are to come into serious conflict. The same is true for membership of the same alliance. But the more stably democratic is any pair, the less likely the countries are to clash, other things equal.

Perhaps the most intriguing result is that democracies are not, in general, more peaceful than others. They are merely more peaceful with one another. But even this conclusion may need to be modified. Another group of authors tentatively suggests that "democracies are less likely to initiate crises with all other types of state, but once in a crisis democracies are only less likely to initiate violence against other democracies".

The big question is why democracies behave in the way they do. Three broad explanations can be advanced for "the democratic peace": ideas, institutions and interests.

"It is hard to trust a regime that has no faith in its own people." These words – written in 1993 by Mr Andrei Kozyrev, subsequently Russia's foreign minister – precisely capture the line democracies draw between their relations with other democracies and those with non-democracies.

In wars with autocracies, democracies almost always distinguish the people, with whom they have no quarrel, from the ruler, with whom they do. But for one democracy to tyrannise over another is to violate democratic norms. This is why the border that divides the US from Canada has, notwithstanding the imbalance in power between the two countries, remained peaceful for so long. It is, more importantly, why the UK responded to the rise of the US, not by allying with the world's emerging second power, Germany, but by seeking alliance with the US itself. It trusted the US and it did not trust Germany.

The second line of explanation notes that the checks and balances within democracies and the need for public debate slow down the march towards war. With no fear of surprise attack, there is plenty of time for shared democratic norms of negotiation and compromise to come into play.

The third sort of explanation starts from the fact that, as was remarked at the end of the 18th century, "war and conquest... elevate the few at the expense of the rest; and consequently they may never be undertaken but where the many are the instruments of the few".

Military despots, military castes and merchants seeking monopolies in foreign markets fall naturally into the bellicose category. War is good for them. But wars always damage the combatants, in aggregate, and nowadays are almost always harmful to the totality of interests within any one participant. If all significant interests are represented within all countries in dispute, war is most unlikely. This need not be so, however, if one is an aggressive despotism and the other a democracy.

The operation of the interests against war is made more effective by the internationalisation of economies and by the realisation that a country can win more from peaceful commerce than can ever gain from conquest, or, Coleridge. It is no surprise, therefore, that economic interdependence is, as Kant

argued, yet another obstacle to war.

Fear is the natural relationship between stable democracies. This is an increasingly significant proposition, because not only are the world's richest and most powerful states democracies, but by the early 1990s about half of all the states in the world were, to a greater or lesser degree, democratic. Since the forces that are driving countries towards representative political institutions are powerful, there is an excellent chance that the number of democracies will grow.

Since the way states behave is determined by what they are, the west is right to help promote the conditions for democracy in the former Soviet Union and central and eastern Europe. The west is also quite correct to distinguish between the democracies that are its friends and the non-democracies with which its relations should remain watchful, even wary.

Above all, Lord Palmerston was plainly wrong. Countries do not have eternal interests. Indeed, most of those that led the UK to war a century ago – notably defending routes to India – seem laughable today. It is their friendships that ought to endure.

*Bruce Russett, with others, Grasping the Democratic Peace: Principles for a Post-Cold War World (Princeton, New Jersey: Princeton University Press, 1993). John M. Owen, "How Liberalism Produces Democratic Peace", International Security, Fall 1994, pp. 37-125. David Rousseau, Christopher Gelpi, Dan Reiter and Paul R. Huth, "Does it Take Two to Tango? Assessing the Dyadic Nature of the Democratic Peace, 1918-89", mimeo, 1995. John R. Oneal, Frances H. Oneal, Zeynep Maoz and Bruce Russett, "The Liberal Peace: Interdependence, Democracy and International Conflict, 1950-1985", Journal of Peace Research, February 1996.*

## TECHNOLOGY: Ultra-miniaturisation

### The benefits of thinking small

In the future, scientists may be able to build materials atom by atom, says Clive Cookson

Until very recently, most visions of our technological future were on a grand scale: spacecraft, for example, ferrying people across vast distances to found colonies on other planets. But futuristic fiction now emphasises the ultra-miniature.

Exponents of nanotechnology – taken from the Greek word for dwarf – claim that the next millennium will be shaped above all by scientists' ability to manipulate materials atom by atom. They envisage miniature robots travelling through the human bloodstream and scrubbing fatty deposits off arterial walls, and molecular computers giving everyone the power of a supercomputer on a wristwatch.

Scientists and engineers with a wide variety of different approaches describe their work as "nanotechnology".

At the conventional end of the spectrum are researchers trying to push engineering techniques, such as precision machining and plating, to the limit of

miniaturisation. The electronics industry spends billions of dollars a year looking for ways to cram components ever more densely on to silicon chips.

The latest commercially available chips have circuits as narrow as 350 nanometres (a nanometre is a billionth of a metre) and some of the components on experimental "quantum devices" are less than 10 nanometres – only a few atoms – wide.

Conventional nanotechnology starts with a relatively large block of material and whittles it away. But the visionaries in the field see far more scope in the opposite process – "bottom-up" fabrication – in which new materials are built up from scratch, atom by atom.

The best known nano-visionary is Eric Drexler, founder of the Foresight Institute in California. He believes that we could realise our world with billions of microscopic molecular machines or "assemblers" that would put together any structure we wanted from cheap raw materials.



According to Drexler, meat will not come from animals grazing on grass; instead, molecular assemblers will weave vegetable waste into tender, BSE-free, low-fat steaks. The construction industry will convert cheap carbon into the ultimate building material – diamond.

Drexler's examples may sound like science fiction but he is a serious technologist, with an academic background from the Massachusetts Institute of Technology.

One scientist who shares Drexler's vision is Ralph Merkle.

He heads a small nanotechnology unit at the California research centre of Xerox, one of the most forward-looking large companies in the US. (The company's research into computer interfaces during the 1970s laid the foundations of today's personal computing, though the main corporate beneficiaries have been Apple and Microsoft rather than Xerox itself.)

"From a material point of view we'll be able to have almost anything that we want; to the extent that you can describe and specify what it is you want, you'll be able to get it and get it inexpensively," according to Merkle. "Where today only someone who is very rich could afford a hand-crafted, specially designed thing, in the future if one person can have it, anyone can have it."

One inspiration for the Drexler-Merkle vision is nature itself. Cells and organic molecules work as natural assemblers in our bodies, and research in molecular biology is giving scientists a detailed understanding of the way they work. Biotechnology will be one source of expertise for molecular manufacturing.

Microscopy is another, quite different source. Scanning probe microscopes – invented in 1981 at the Swiss laboratory of International Business Machines, the US computer giant – gave scientists their first direct view of atoms, by moving an ultra-fine tip

across a solid surface. An image is derived by measuring the repulsive forces between the atom at the end of the tip and the atoms on the surface.

During the 1990s researchers have been learning how to manipulate individual atoms with the scanning probe. Starting with a trick in which individual atoms of xenon were dragged across a nickel surface to spell out IBM in letters 5 nanometres high, they have gone on to make more complex nano-patterns.

Atomic manipulation with a scanning probe is still painfully slow – the process will have to be accelerated many billions of times if it is to be much practical use for molecular manufacturing – but it does at least prove the concept.

At the same time, some chemists are in the early stages of developing tools that could provide useful nano-devices. For example, Fraser Stoddart of Birmingham University in the UK has produced molecules called catenanes from a series of interlocking atomic rings. His ultimate aim is a molecular computer.

No one knows how much nanotechnology will eventually draw on biology, physics and chemistry. Many of the predicted developments may be fantasies. But if a small fraction of what is predicted comes true, miniaturisation will be a dominant technical theme for the next century.















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COMPANY NEWS: UK

# Whitbread makes £1bn move away from roots

By David Blackwell

"These businesses are very close to what we are used to doing", said Mr Peter Jarvis, Whitbread chief executive, after agreeing to buy Forte's roadside restaurants and budget hotels for £1.05bn.

The deal, which is conditional on the failure of Granada's £3.3bn hostile bid, would continue Whitbread's expansion away from its roots in brewing.

Last August the group paid £390m for two acquisitions - David Lloyd Leisure, the tennis and health club business founded by the former tennis star, and 16 Marriott hotels plus agreement to operate the Marriott name in the UK.

The latest acquisition will bring it the Little Chef and Happy Eater chain of more than 430 roadside eateries: the chain of 26 Welcome Break motorway service stations; 55 Côté France motorway service stations;

and 137 Travelodge budget hotels.

Mr Jarvis rejected Granada's criticism of the Little Chef brand as tired. "It has 40th customers a year and most of them are happy."

Whitbread would focus on Little Chef rather than Happy Eater, and would widen the offering, building on the potential of a short-stop customer and using experience gained at its other branded restaurant chains, such as Brewers Fayre and Pizza Hut.

Putting Travelodge in with Whitbread's Travel Inn would create the biggest chain of budget hotel under a single brand in the UK.

However, Mr Jarvis said both brands would run side by side to begin with, as Travel Inn catered more for business people while Travel Lodge had more family customers.

"The name is a high class problem - both chains are very successful", he said.

The consideration of £1.05bn will be met from the group's own resources and additional borrowings, which will take the gearing up to 75 per cent. Net assets of the acquisition are about £800m.

Mr Jarvis was philosophic about the possibility of the deal falling through if Granada's bid were to be successful. "I should be disappointed, but it would not be the first time - and we would keep trying for suitable acquisitions", he said.

He did not rule out the possibility of making further acquisitions on the brewing side.

The target touted as the most likely in the past is Allied Domecq's half share in Carlsberg-Tetley.

● IBCA, the European credit rating agency, has given Whitbread the long-term rating of A+ on Rating Watch with negative implications, following the acquisition announcement. The short-term rating is maintained at A1.

## Euromoney chairman gets 27% pay cut

By Geoff Dyer

Mr Padraic Fallon, chairman of Euromoney Publications, the media group which last month disclosed its first drop in annual profits since 1974, was paid £1.01m last year.

This represented a 27 per cent decline from the £1.39m he was paid the previous year, reflecting the 24 per cent fall in group pre-tax profits to £18.2m in the year to September 30. His remuneration is equivalent to 6 per cent of group profits.

With a market value of £229m at yesterday's closing price, Mr Fallon is easily one of the highest paid directors of quoted companies outside the FT-SE-A 350 index.

He remains in the same 21st place league as the heads of some FT-SE 100 companies. For instance Hanson, the conglomerate which has a market value of about £10bn, announced this month that Lord Hanson, chairman, received pay and benefits of £1.37m last year and Mr Derek Bonham, chief executive, £1.12m.

The drop in Euromoney profits was largely due to problems at AIC, the Australian seminar business, which was sold to its management for £6.9m last week.

In the group's annual report, Mr Fallon admitted: "The depth of our management had not kept pace with our rapid growth over the last five years."

As a result of the problems in Australia and tough trading conditions, the shares, which reached a high of 187.5p in May 1994, have fallen sharply, closing down 30p at 103.5p yesterday.

## British Gas sale delayed

British Gas expects to complete the sale of its properties facilities management business to Chesterton International, the property services company, by the end of January, writes David Lascelles, Resources Editor.

The two companies originally expected the deal, worth about £10m, to go through in November, but British Gas said yesterday that "some issues remain outstanding". It declined to identify them.

## Goldsmiths reiterates interest in Signet buy

By Neil Buckley

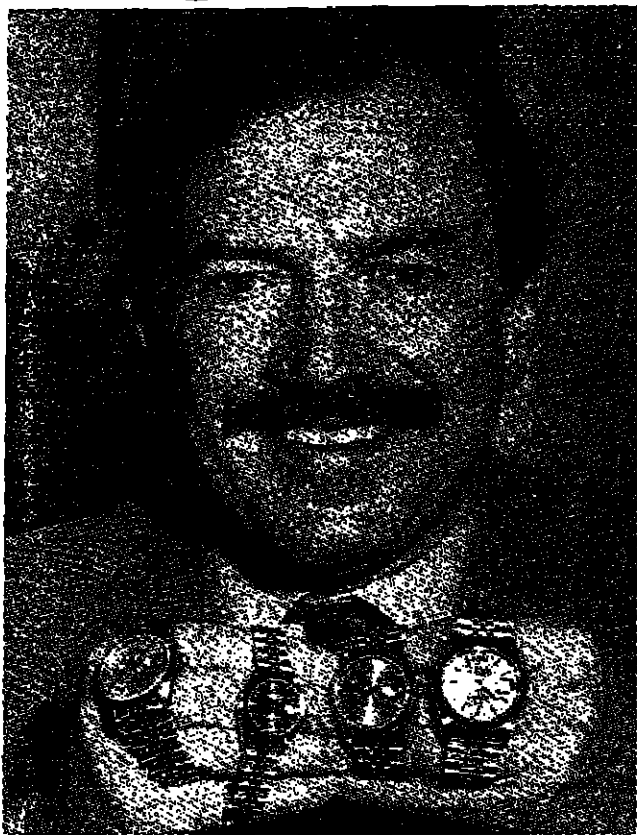
Goldsmiths, the jewellery chain, yesterday reiterated its interest in acquiring part or all of Signet, the UK's biggest jeweller.

Its comments accompanied a statement on Christmas trading showing total sales in its 119 stores up 15.9 per cent and like-for-like sales up 3.7 per cent in the month to December 24. The figures came a week before an expected statement from Signet. If, as some analysts forecast, Signet's sales are disappointing, pressure may increase on the debt-laden group for a capital reconstruction or break-up.

Goldsmiths has been angered by the insistence by Mr James McAdam, Signet's chairman, and Mr Walker Boyd, finance director, that they have received "no serious bids" for any part of Signet.

Mr Jurek Piasecki, chief executive, says he has venture capital backing for a bid worth \$55m-£70m for Ernest Jones, one of Signet's two UK chains, or £250m (\$385m) for all Signet's UK operations, including the H. Samuel chain. Such a bid would exclude Signet's US chain, Sterling.

"I have made numerous approaches, but I am rebuffed every time," Mr Piasecki said. "Ernest Jones would be most suited to us, but we still believe we could bring a lot to



Jurek Piasecki: plenty of time on his hands for discussions with Signet, but nobody wants to talk

Signet's UK operations."

Signet says Goldsmiths' approaches have not been detailed to be considered seri-

ous. But Mr Piasecki says he cannot make a fully detailed offer without more information - which Signet will not supply.

## Recs to invest Hydro profit

By David Lascelles, Resources Editor

Regional electricity companies said yesterday that they would retain the proceeds from the recent sale of the First Hydro pumped storage business which they inherited from the National Grid.

However, they will have to pay capital gains tax on their profits from the investment.

The 12 recs will share on a pro rata basis the £652.5m paid last week by Mission Energy of the US for First Hydro. Mission is part of SCORP, a quoted US group valued at \$6bn.

The recs had varying investments in the company, which was transferred to them before

the recent demerger of the National Grid. Unlike their shares in the National Grid, which most of them passed on to their own shareholders, their intention is to keep the cash from the First Hydro sale.

Northern Electric, whose 6.5 per cent stake in First Hydro, netted £44m, stressed that the proceeds would be used for "general corporate purposes". The company said it wanted to make clear that the money would not form part of the £500m promised to shareholders to fend off takeover bids.

Other companies also said they would keep the cash to develop their businesses.

Tax will be payable on capital gains from the sale. At the

### PROCEEDS FROM FIRST HYDRO SALE

Rec	stake %	£m
Eastern	12.5	85
East Midlands	8.4	57
London	10.5	71
Manweb	5.5	37
Midlands	9.2	62.4
Northern	6.5	44
Norweb	8.2	55
Seaboard	7.3	50
Southern	11.0	74.5
Swale	5.4	38.7
SWEB	6.3	43
Yorkshire	9.2	62.3

time of the recs' flotation five years ago, the pumped storage business was valued at about £300m.

## Lingering aroma of banana

Standard Chartered spent much of the 1990s under-performing the rest of the stock market. But the bank, with its unusual network of operations in Asia, Africa and the Middle East, is now busily making up lost ground.

Its share price in 1995 has outstripped not just the rest of the market, but also the rest of the banks in what has proved one of the year's strongest sectors. That is no mean feat for an organisation with, in the words of chief executive Malcolm Williamson, "a bad reputation for banana skins".

Six years ago, Standard Chartered suffered from severe problems with its loan book. Its London management kept rather a slack rein over managers in nearly 60 countries. Profits, always volatile, plunged in 1989 and it had to cut its dividend in 1990. With the installation of Mr Williamson as chief executive and Mr Patrick Gillam as non-executive chairman in 1993, the bank sought to tighten control over its federally minded network.

But banana skins still seemed to proliferate. The Bombay securities scam forced Standard Chartered to make £272m of provisions in 1992 after the collapse of a pyramid of "banker's receipt" IOUs used to finance stock purchases.

That was followed by the suspension of its Hong Kong securities arm from all initial public offerings for manipulating share prices. Soon afterwards came charges that its Mocatta precious metals sub-

George Graham explains how Standard Chartered is using its network to build a new reputation

siary had bribed officials in Malaysia and the Philippines.

This year has produced few such alarms. Instead, Standard Chartered announced in March that its 1994 pre-tax profits had risen 27 per cent to £510m, with earnings per share up 36 per cent at 32.7p, comfortably exceeding most brokers' forecasts. Many concluded that the best was past and put out sell recommendations.

In August, however, interim results were once again better than expected, with pre-tax profits up 35 per cent to £318m and earnings per share up 47 per cent at 21.6p.

These earnings have started to flow back to shareholders through improved dividends. The bank raised its interim by 44 per cent to 3.25p - enough, even with no change in final, to bring the pay-out back above the level of 8.75p before the 1990 cut.

Most analysts predict further strong dividend growth. Barclays de Zoete Wedd Research, for example, anticipates 35 per cent growth for 1995, 30 per cent for 1996 and 20 per cent from then to the year 2000.

The bank has managed to keep costs flat for the past three years. Staff have been cut from more than 30,000 to fewer than 27,000, with further reductions planned to meet a target of 25,000 next year.

The strategy, Mr Williamson

says, has been to refocus on businesses that take full advantage of Standard Chartered's historical strengths and its far-flung network.

That has involved moving away from corporate lending to expand rapidly in personal banking in the Asia-Pacific region - strictly not in the overbanked OECD area. Telephone banking, credit cards and mortgage lending have grown significantly, and retail banking is now the single largest profits contributor.

"The competitive advantage we have is that the local banks in Asia are still not very switched on and most foreign banks are in the wholesale business," Mr Williamson says.

Standard Chartered has not turned its back on the corporate sector, but seeks to put lending in second place to fee-earning services in areas such as trade finance, cash management or payment handling, often as a banker to other banks. "We are trying in the corporate market to make lending our lag, not our lead product," Mr Williamson says.

The third leg of the business is in financial markets, and here again, Standard Chartered aims to concentrate on the regions where it is strongest. "You wouldn't come to us for a marvellous rate on the Swiss franc, because that is not our speciality."

## Pemberstone in £11.7m purchases

By Geoff Dyer

Pemberstone, the investment and property management group which floated in September, has agreed to pay £11.7m for three residential property companies.

The three companies - First Roman Property Trust, Second

Roman Property Trust and Third Roman Property Trust - were set up under the government's business expansion scheme (BES) and own more than 300 flats in sheltered housing complexes which are let on an assured tenancy basis.

Between 1988 and 1993,

£600m was invested in BES companies to buy residential property for rent, taking advantage of the tax relief available on such investments.

Pemberstone was set up in September to buy the financial services and property management division of Capital Industries, the packaging group, and

floated via a £6.75m placing.

The group, which was designed to buy former BES companies, is expecting a large number of properties to become available as shareholders had to maintain their investment for five years in order to qualify for the tax relief.

## Director steps down at loss-making CentreGold

By Paul Taylor

Mr Martyn Savage is stepping down as managing director of CentreGold, the loss-making video and computer games software publisher and distributor.

The surprise announcement, made at the company's annual meeting yesterday, comes in the wake of two profit warnings from the company in the past 12 months and during negotiations with a number of potential overseas partners.

According to the company Mr Savage asked to relinquish his role as an executive director "for personal reasons". He will, however, continue as a non-executive director.

Mr Savage was one of three

senior executives who helped float CentreGold in October 1993 at 125p a share together with Mr Geoff Brown, chief executive, and Mr Tim O'Connell, finance director.

The shares closed unchanged at 65p yesterday.

Since the float the cartridge market for video games has been "extremely turbulent" ahead of the arrival of a new generation of games machines and a fierce price war.

As a result CentreGold's turnover has fallen sharply and the company has sunk into losses, reflecting lower margins, stock write-downs and reorganisation costs.

In August the company issued its second profits warn-

ing this year following "extremely difficult trading conditions" and said it would not be recommending a final dividend.

At the same time CentreGold announced it was "exploring with a small number of major international partners the possibility of a strategic alliance which could further strengthen the group's resources for the next stage of development of the international interactive multimedia industry".

Yesterday the company confirmed that these discussions were continuing, but declined to identify possible partners.

Industry speculation about talks with Sony Computer Entertainment has been denied by both companies.

## Former ACT chief sets up company

By Paul Taylor

Mr Roger Foster, the computer industry entrepreneur and former chairman of ACT Group, has set up a new software and services company. This is designed to exploit the shift to client-server computer systems and Microsoft's Windows NT operating system in the financial services sector.

The new company, Financial Objects, is building an advanced software "toolkit" called Domino, which will help computer programmers design and build new software applications for Windows NT quickly.

This will be supported by a range of NT consultancy and integration services for the finance sector, including network design and help connecting new client-server systems, based on desktop computers, with old-style mainframe-based "legacy" systems.

Mr Foster founded ACT in 1965 and built it into one of the largest financial software companies before it was acquired by Misy for £212m earlier this year. He claims that his new

company is one of the UK's largest information technology start-ups.

Financial Objects has been funded by its senior management - which includes three other former ACT executives who hold a controlling interest in the company - and by two of the UK's leading IT venture capital groups, Schroder Ventures and Thompson Clive.

The new company's software development centre is based, like ACT, in the West Midlands, while sales and customer support will be handed out of Bishopsgate, London.

Mr Foster, who left ACT

in April after the Misy takeover, believes that the finance industry is reaching a technology watershed, as it begins to adopt new software methodologies, such as reusable software code in the form of "objects" and rapid application development tools.

"The software industry is set to experience change as dramatic as the revolution in the hardware industry in the last decade," he says.

### IN BRIEF

**BARR & WALLACE** Arnold Trust has disposed of its VAG business in Leeds to subsidiary of Syner Group for £1.4m cash. Net assets sold amount to £900,000 while the business made pre-tax profits of £100,000 in its last full year.

**HEWLETT STUART** has paid £5.6m for WH Price, a specialist power tool company based in Birmingham. WH Price made pre-tax profits of £991,000 on turnover of £9.56m in 1994. The purchase brings the number of tool hire outlets operated by Hewlett Stuart from 136 to 150.

**LINTON PARK** has sold five subsidiaries comprising the Caley Group for £2.61m to Caley Investments, a Caley management backed investment holding company.

**SAVILLS** has agreed to acquire ELLR, formerly Erdman Lewis Licensed Retail. ELLR was acquired earlier this week by two of its executive directors, Mr Ian Frost and Mr David Myers, from the Erdman receivers.

**SENTRY FARMING** has entered into preliminary talks with Farmwealth regarding the provision of farm management services in support of its eastern European activities. Farmwealth is a newly established farm investment company.

### COMPANY NOTICES

#### Glover International Sales, Inc.

a U.S. Virgin Islands corporation, is available to arrange leases of U.S. manufactured widebody aircraft to be used predominantly outside the U.S. If interested, please contact the company at:

Glover International Sales, Inc.  
c/o CITCO St. Thomas Inc.  
5 Kronprindsens Gade  
Charlotte Amalie, St. Thomas  
U.S. Virgin Islands

#### Grammercy International Sales, Inc.

a U.S. Virgin Islands corporation, is available to arrange leases of U.S. manufactured widebody aircraft to be used predominantly outside the U.S. If interested, please contact the company at:

Grammercy International Sales, Inc.  
c/o CITCO St. Thomas Inc.  
5 Kronprindsens Gade  
Charlotte Amalie, St. Thomas  
U.S. Virgin Islands

#### Lafayette International Sales, Inc.

a U.S. Virgin Islands corporation, is available to arrange leases of U.S. manufactured widebody aircraft to be used predominantly outside the U.S. If interested, please contact the company at:

Lafayette International Sales, Inc.  
c/o CITCO St. Thomas Inc.  
5 Kronprindsens Gade  
Charlotte Amalie, St. Thomas  
U.S. Virgin Islands

#### Oriole International Sales, Inc.

a U.S. Virgin Islands corporation, is available to arrange leases of U.S. manufactured widebody aircraft to be used predominantly outside the U.S. If interested, please contact the company at:

Oriole International Sales, Inc.  
c/o CITCO St. Thomas Inc.  
5 Kronprindsens Gade  
Charlotte Amalie, St. Thomas  
U.S. Virgin Islands

#### Shannon International Sales, Inc.

a U.S. Virgin Islands corporation, is available to arrange leases of U.S. manufactured widebody aircraft to be used predominantly outside the U.S. If interested, please contact the company at:

Shannon International Sales, Inc.  
c/o CITCO St. Thomas Inc.  
5 Kronprindsens Gade  
Charlotte Amalie, St. Thomas  
U.S. Virgin Islands

#### Pelham International Sales, Inc.

a U.S. Virgin Islands corporation, is available to arrange leases of U.S. manufactured widebody aircraft to be used predominantly outside the U.S. If interested, please contact the company at:

Pelham International Sales, Inc.  
c/o CITCO St. Thomas Inc.  
5 Kronprindsens Gade  
Charlotte Amalie, St. Thomas  
U.S. Virgin Islands

### CONTRACTS & TENDERS

#### GOVERNMENT OF SRI LANKA

#### MINISTRY OF FINANCE INVITATION TO TENDER TO PROVIDE A TRADE FACILITATION SERVICE BY PRESHIPMENT INSPECTION OF IMPORTS AND EXPORT MONITORING

The Government of the Democratic Socialist Republic of Sri Lanka wishes to obtain for a period of three (3) years the services of an internationally reputed Preshipment Inspection Company to provide a Trade Facilitation Service by carrying out preshipment inspection of certain categories of imports into Sri Lanka and also to monitor certain types of exports.

2. Offers are invited by the Chairman of the Cabinet Appointed Tender Board of the Government of the Democratic Socialist Republic of Sri Lanka for the provision of the undermentioned services from Preshipment Inspection Companies with experience of at least five (5) years in providing trade facilitation services by means of Preshipment Inspection Programmes for countries with a volume of international trade comparable to, or larger than, that of Sri Lanka.

3. The preshipment verification of imports, to be carried out in the country of export, will involve the following activities:

- Verification of period of validity (especially for foods and pharmaceutical products), quantity and quality.
- Verification of the classification of goods for customs purposes (Harmonized System).
- Verification of the value of imports.
- Verification of the import eligibility of goods according to laws and regulations of Sri Lanka.
- Issuance of a Clean Report of Findings or a Non Negotiable Report of Findings following inspection.

4. The successful Tender will also be required to establish an export monitoring system to ensure that duty and tax exempt or suspended imports authorized for export production are exported.

5. The successful Tender will be expected to work in close co-operation with the Sri Lanka Customs to facilitate cargo clearances and provide training.

6. Tenderers employing the services of local agents in bidding for this tender, shall indicate the name and address of the local agent and the commission payable. Tenders and tender documents shall be signed by the principal.

7. The successful Tender shall maintain his own office in Sri Lanka.

8. Interested parties may obtain detailed Tender Specifications and related documents from the office of the Chief Accountant, Ministry of Finance from 03 January 1996 to 25 February 1996 upon the payment of a non-refundable document fee of US dollars one thousand (US\$ 1,000) or the equivalent amount in Sri Lankan Rupees.

9. Sealed tenders in the specified tender formats together with a Bid Bond (Tender Guarantee) of US dollars four hundred thousand (US\$ 400,000) or the equivalent amount in Sri Lankan Rupees, will be accepted by the undersigned on or before 12.00 noon of 26 February 1996.

10. Any further information on this matter could be obtained from the office of the Chief Accountant, Ministry of Finance, The Secretariat, Colombo 1, Telephone (941) 330270 during office hours. Such information will be made available up to two weeks prior to the date of closing of the tender.

Chairman

Cabinet Appointed Tender Board for selection of a Preshipment Inspection Company

Ministry of Finance

The Secretariat

Colombo 1, Sri Lanka.

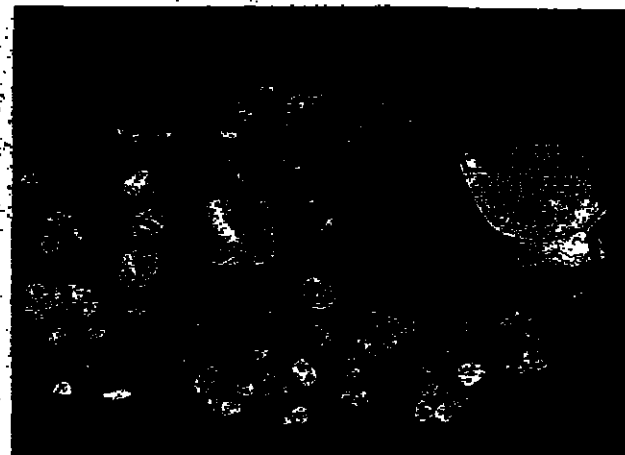
150 150



# Diamond production begins in the Rockies

By Kenneth Gooding,  
Mining Correspondent

North America's first large-scale diamond mine has started production at Kelsey Lake, 2,740 metres up in the Rocky Mountains on the Colorado/Wyoming border. The mine, owned by Red Bull Resources, is expected to produce 150,000 carats annually when it reaches full production in 1997. But the quality of the stones, most of them gem quality, makes the mine a commercial proposition, according to Mr Tony Hamilton, president of Red Bull Resources, the company that owns the property.



Diamonds recovered from samples have ranged up to 14.2 carats

So far 65 per cent of the diamonds recovered at Kelsey Lake have been of gem quality and 25 per cent by weight of all those recovered have been larger than one carat. Included in these was a large octahedral gem-quality diamond of 14.2 carats, the largest ever recovered in Colorado and the eighth largest found in North America.

Mr Hamilton says Red Bull Resources already has been approached by organisations wishing to retail the stones as unique "American diamonds" and it is reasonable to expect that they will attract a premium. Kelsey Lake consists of a cluster of eight kimberlite "pipes", two of which contain commercial quantities of diamonds and cover an area of 22 acres. Red Bull has spent more than \$2m on a milling and extraction plant to treat 250,000 tonnes of kimberlite a year. The first diamonds will emerge from the system in February.

If the first phase of the operation proves to be successful, Red Bull will construct a larger, all-weather plant to treat 1.5m tonnes of material a year. The deposit was discovered in 1986 by a local geologist, Mr Howard Cooper, who lives 65km away in Fort Collins and acts as a consultant to Red Bull. Little has been heard about the project until recently because for most of the time since its discovery it has been in private hands. This changed in December when Red Bull Resources, listed in Toronto, took full control of Kelsey.

Red Bull is now the quoted arm of Cornerstone Investments, a private group owned by Mr Hamilton and Mr Robin Baxter-Brown, a well known geologist who is now chairman of Red Bull Resources. Mr Hamilton says the ground is being prepared for Red Bull to be listed on the London Stock Exchange in 1996.

Red Bull's prime asset at present is a 50 per cent share and joint management control of the River Ranch diamond mine in Zimbabwe. This was discovered in the 1980s by the Bees, the South African group that dominates the diamond industry, but never fully developed. De Beers gave up the mine because it could not agree terms to continue with the Zimbabwe government. Cornerstone took over with its Australian partner, Avrimco, in 1991.

Under most land reform programmes, property rights are given to existing tenants, or land is purchased for distribution to landless people. According to a World Bank report, farmers with "clear title" to land have the incentive to invest in the land and adopt better technologies. It said that when land in the Pinar district of north-east Brazil was redistributed to small farmers yields increased by between 10 and 40 per cent on rain-fed farms and by 30 to 70 per cent on irrigated farms. The bank pointed out that extensive land reforms in China and South Korea "provided the basis for broadly-based poverty reducing growth".

More recently, land reform in the Philippines has led to significant increases in both crop yields and farmer incomes. In the late 1980s it was estimated that 72 per cent of rural people in the Philippines were

# Land reform returning to favour for fighting hunger

The World Bank is talking about the subject with several governments, writes John Madeley

With food output needing to increase by 60 per cent over the next 25 years, according to the United Nations Food and Agriculture Organisation, there is a revival of interest in land reform as a means to raise production. At last month's "Hunger and Poverty" conference in Brussels, organised by the International Fund for Agricultural Development, Mr David Steeds of the World Bank said that since 1980 the bank had not been talking about land reform as a means to raise production. The failure of earlier reform schemes, he pointed out, had caused governments to lose interest.

But that now appeared to be changing, according to Mr Steeds. He said the bank was at present talking about land reform with several governments, including those of Brazil, Colombia and South Africa. Under most land reform programmes, property rights are given to existing tenants, or land is purchased for distribution to landless people. According to a World Bank report, farmers with "clear title" to land have the incentive to invest in the land and adopt better technologies. It said that when land in the Pinar district of north-east Brazil was redistributed to small farmers yields increased by between 10 and 40 per cent on rain-fed farms and by 30 to 70 per cent on irrigated farms. The bank pointed out that extensive land reforms in China and South Korea "provided the basis for broadly-based poverty reducing growth".

More recently, land reform in the Philippines has led to significant increases in both crop yields and farmer incomes. In the late 1980s it was estimated that 72 per cent of rural people in the Philippines were

landless and that rice yields were half those of China and South Korea. Following a law passed in 1988, more than 1m hectares of land have been redistributed in the Philippines in the past three years and a 10-year target to redistribute 3.5m hectares is now about half way to being met. The law requires that landowners receive just compensation.

He explains that the economic arguments put forward in favour of land redistribution "focus on the diseconomies of large-scale enterprises and the need to increase returns to land". Higher "returns to land" appear to be coming through in the Philippines. A recent survey of small-scale rice farmers in the province of Agusan del Norte, on Mindanao Island, found that on redistributed rain-fed land, yields increased from 1.5 to 2 tonnes a

hectare to 2 to 2.25 tonnes a hectare. On irrigated land, yields rose from 3 to 3.75 tonnes a hectare to 4 to 5 tonnes a hectare. Farmers' incomes rose by about a third in both cases. The Brussels conference heard that land reform in the Philippines had been helped by a "tripartite partnership" between government, non-governmental and small-farmer organisations. Participants at the conference agreed a plan of action on hunger and poverty that urged that special attention be given to the "revival of agrarian reform".

Mr Adams said that many supposed land reforms had failed because they were "opportunistic and unconvincing" to mobilise support for the movement, and because of lack of administrative capacity. In some cases reforms failed because people who received land did not have access to agricultural services such as credit, training and advice.

In South Africa, land redistribution schemes of a pilot nature are starting in the country's nine provinces. Beneficiaries are being asked to supplement a small government grant with their own funds and to apply for credit from financial institutions. The government's aim is to redistribute at least 30 per cent of South Africa's arable land over the next five years.

"We want people to make sound decisions based on access to a resource which has to be used beneficially and sustainably," said South Africa's minister for land affairs, Mr Derek Hanekom. Constraints facing South Africa's land reform measures, said Mr Adams, included "limited public funds for land purchase; limited skills for implementation of land reform; and the difficulty of unscrambling the so-called homelands".

# Resource investment booms in Western Australia

By Kenneth Gooding

Western Australia already has 29 oil and gas fields which produced an estimated A\$1.56bn worth of oil and condensate and A\$1.56bn worth of natural gas and liquefied natural gas last year. The north west shelf project field was put into production, the cost would be A\$50m to A\$110m. A decision about Gorgon will be made within six months. As present by far the biggest single capital project in Australia is Broken Hill Proprietary's A\$1.5bn hot briquetted coal plant under construction at Port Hedland in the Pilbara region of Western Australia. BHP is a form of direct reduced iron and Mr Barnett reckons that before the year 2000 there will be two, possibly three, DRI plants in operation in the State.

## Western Australian Minerals Output as a Proportion of World Output in 1993-94

Commodity	Output (1993-94)	% of World Output
Gold	222,000	8%
Iron Ore	100,000,000	22%
Liquefied Natural Gas	1,500,000	8%
Diamonds	1,500,000	40%
Nickel	1,500,000	7%
Copper	1,500,000	8%
Mineral Sands	1,500,000	12-14%

Source: Australian Department of Resources Development, "Mineral Facts and Figures"

supplied 5.7m tonnes of LNG to Japan in 1993-94 and production is scheduled to reach 7m tonnes in 1995. Mr Barnett says the market could take 20m tonnes by 2005-2010. The cost of expanding the north-west shelf's output to this level would be between A\$50m and A\$60m. If the promising Gorgon

field was put into production, the cost would be A\$50m to A\$110m. A decision about Gorgon will be made within six months. As present by far the biggest single capital project in Australia is Broken Hill Proprietary's A\$1.5bn hot briquetted coal plant under construction at Port Hedland in the Pilbara region of Western Australia. BHP is a form of direct reduced iron and Mr Barnett reckons that before the year 2000 there will be two, possibly three, DRI plants in operation in the State.

## COMMODITIES PRICES

### BASE METALS

#### LONDON METAL EXCHANGE

Prices from 10.00am to 10.30am

#### ALUMINIUM, 99.99% (per tonne)

Grade	Price
Close	1680-81
Previous	1674-75
High/Low	1680-81
AM Official	1674-75
Kerb close	1678-79
Open bid	227,200
Total daily turnover	34,270

#### ZINC, 99.99% (per tonne)

Grade	Price
Close	1440-40
Previous	1430-30
High/Low	1440-40
AM Official	1430-30
Kerb close	1430-30
Open bid	5,087
Total daily turnover	1,038

#### COPPER, 99.99% (per tonne)

Grade	Price
Close	718.5-85.5
Previous	720-10
High/Low	718.5-85.5
AM Official	720-10
Kerb close	718.5-85.5
Open bid	33,513
Total daily turnover	7,422

#### NICKEL, 99.99% (per tonne)

Grade	Price
Close	8025-85
Previous	8020-80
High/Low	8025-85
AM Official	8020-80
Kerb close	8025-85
Open bid	36,512
Total daily turnover	15,751

#### TIN, 99.99% (per tonne)

Grade	Price
Close	8225-85
Previous	8220-80
High/Low	8225-85
AM Official	8220-80
Kerb close	8225-85
Open bid	13,913
Total daily turnover	4,778

#### LEAD, 99.99% (per tonne)

Grade	Price
Close	1018.5-10.5
Previous	1015-10.5
High/Low	1018.5-10.5
AM Official	1015-10.5
Kerb close	1018.5-10.5
Open bid	61,295
Total daily turnover	36,427

#### COBALT, 99.99% (per tonne)

Grade	Price
Close	2844-48
Previous	2840-48
High/Low	2844-48
AM Official	2840-48
Kerb close	2844-48
Open bid	180,000
Total daily turnover	53,547

#### LIQUEFIED NATURAL GAS (per tonne)

Grade	Price
Close	1018.5-10.5
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Kerb close	1018.5-10.5
Open bid	61,295
Total daily turnover	36,427

#### COBALT, 99.99% (per tonne)

Grade	Price
Close	2844-48
Previous	2840-48
High/Low	2844-48
AM Official	2840-48
Kerb close	2844-48
Open bid	180,000
Total daily turnover	53,547

#### LIQUEFIED NATURAL GAS (per tonne)

Grade	Price
Close	1018.5-10.5
Previous	1015-10.5
High/Low	1018.5-10.5
AM Official	1015-10.5
Kerb close	1018.5-10.5
Open bid	61,295
Total daily turnover	36,427

#### COBALT, 99.99% (per tonne)

Grade	Price
Close	2844-48
Previous	2840-48
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AM Official	2840-48
Kerb close	2844-48
Open bid	180,000
Total daily turnover	53,547

#### LIQUEFIED NATURAL GAS (per tonne)

Grade	Price
Close	1018.5-10.5
Previous	1015-10.5
High/Low	1018.5-10.5
AM Official	1015-10.5
Kerb close	1018.5-10.5
Open bid	61,295
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Close	2844-48
Previous	2840-48
High/Low	2844-48
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Open bid	180,000
Total daily turnover	53,547

#### LIQUEFIED NATURAL GAS (per tonne)











LONDON SHARE SERVICE

BANKS, MERCHANT

Bank of America	128.50
Barclays Bank	125.00
HSBC	120.00
London & Lancashire	115.00
Midland Bank	110.00
NatWest	105.00
Paragon	100.00
Prudential	95.00
Royal Bank of Scotland	90.00
Santander	85.00
Standard Bank	80.00
TSB Bank	75.00
Windsor	70.00

BANKS, RETAIL

ABN-Amro	120.00
Alm Invest	115.00
Bank of Ireland	110.00
Bank of Montreal	105.00
Bank of New York	100.00
Bank of Paris	95.00
Bank of Spain	90.00
Bank of Tokyo	85.00
Bank of West	80.00
Bank of Yugoslavia	75.00
Bank of Zaire	70.00
Bank of Zimbabwe	65.00
Bank of Zambia	60.00

BREWERIES

Adnams	120.00
Beck's	115.00
Carlsberg	110.00
Heineken	105.00
Kaiser Brewery	100.00
London Brewery	95.00
Miller	90.00
Paulaner	85.00
Pilsener	80.00
Reinhold	75.00
St. Pauli	70.00
Tottenham	65.00

BUILDING & CONSTRUCTION

Amey	120.00
Bechtel	115.00
Booth	110.00
Chubb	105.00
Combe	100.00
Costain	95.00
Day	90.00
Ellis	85.00
Farrel	80.00
Frederick	75.00
George	70.00
Harland	65.00

BUILDING MATS. & MERCHANTS

Adams	120.00
Alford	115.00
Anglo	110.00
Archer	105.00
Aspinall	100.00
Ashurst	95.00
Ashurst	90.00
Ashurst	85.00
Ashurst	80.00
Ashurst	75.00
Ashurst	70.00
Ashurst	65.00

CHEMICALS

Alkermes	120.00
Amgen	115.00
Boehringer	110.00
Boehringer	105.00
Boehringer	100.00
Boehringer	95.00
Boehringer	90.00
Boehringer	85.00
Boehringer	80.00
Boehringer	75.00
Boehringer	70.00
Boehringer	65.00

CHEMICALS - Cont.

Alkermes	120.00
Amgen	115.00
Boehringer	110.00
Boehringer	105.00
Boehringer	100.00
Boehringer	95.00
Boehringer	90.00
Boehringer	85.00
Boehringer	80.00
Boehringer	75.00
Boehringer	70.00
Boehringer	65.00

DISTRIBUTORS

Adams	120.00
Alford	115.00
Anglo	110.00
Archer	105.00
Aspinall	100.00
Ashurst	95.00
Ashurst	90.00
Ashurst	85.00
Ashurst	80.00
Ashurst	75.00
Ashurst	70.00
Ashurst	65.00

DIVERSIFIED INDUSTRIALS

Adams	120.00
Alford	115.00
Anglo	110.00
Archer	105.00
Aspinall	100.00
Ashurst	95.00
Ashurst	90.00
Ashurst	85.00
Ashurst	80.00
Ashurst	75.00
Ashurst	70.00
Ashurst	65.00

ELECTRICITY

Adams	120.00
Alford	115.00
Anglo	110.00
Archer	105.00
Aspinall	100.00
Ashurst	95.00
Ashurst	90.00
Ashurst	85.00
Ashurst	80.00
Ashurst	75.00
Ashurst	70.00
Ashurst	65.00

ELECTRONIC & ELECTRICAL EQPT

Adams	120.00
Alford	115.00
Anglo	110.00
Archer	105.00
Aspinall	100.00
Ashurst	95.00
Ashurst	90.00
Ashurst	85.00
Ashurst	80.00
Ashurst	75.00
Ashurst	70.00
Ashurst	65.00

ELECTRONIC & ELECTRICAL EQPT - Cont.

Adams	120.00
Alford	115.00
Anglo	110.00
Archer	105.00
Aspinall	100.00
Ashurst	95.00
Ashurst	90.00
Ashurst	85.00
Ashurst	80.00
Ashurst	75.00
Ashurst	70.00
Ashurst	65.00

ENGINEERING

Adams	120.00
Alford	115.00
Anglo	110.00
Archer	105.00
Aspinall	100.00
Ashurst	95.00
Ashurst	90.00
Ashurst	85.00
Ashurst	80.00
Ashurst	75.00
Ashurst	70.00
Ashurst	65.00

ENGINEERING, VEHICLES

Adams	120.00
Alford	115.00
Anglo	110.00
Archer	105.00
Aspinall	100.00
Ashurst	95.00
Ashurst	90.00
Ashurst	85.00
Ashurst	80.00
Ashurst	75.00
Ashurst	70.00
Ashurst	65.00

EXTRACTIVE INDUSTRIES

Adams	120.00
Alford	115.00
Anglo	110.00
Archer	105.00
Aspinall	100.00
Ashurst	95.00
Ashurst	90.00
Ashurst	85.00
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EXTRACTIVE INDUSTRIES - Cont.

Adams	120.00
Alford	115.00
Anglo	110.00
Archer	105.00
Aspinall	100.00
Ashurst	95.00
Ashurst	90.00
Ashurst	85.00
Ashurst	80.00
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Ashurst	65.00

FOOD PRODUCERS

Adams	120.00
Alford	115.00
Anglo	110.00
Archer	105.00
Aspinall	100.00
Ashurst	95.00
Ashurst	90.00
Ashurst	85.00
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Ashurst	70.00
Ashurst	65.00

GAS DISTRIBUTION

Adams	120.00
Alford	115.00
Anglo	110.00
Archer	105.00
Aspinall	100.00
Ashurst	95.00
Ashurst	90.00
Ashurst	85.00
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Ashurst	65.00

HEALTH CARE

Adams	120.00
Alford	115.00
Anglo	110.00
Archer	105.00
Aspinall	100.00
Ashurst	95.00
Ashurst	90.00
Ashurst	85.00
Ashurst	80.00
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Ashurst	70.00
Ashurst	65.00

HOUSEHOLD GOODS

Adams	120.00
Alford	115.00
Anglo	110.00
Archer	105.00
Aspinall	100.00
Ashurst	95.00
Ashurst	90.00
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INSURANCE

Adams	120.00
Alford	115.00
Anglo	110.00
Archer	105.00
Aspinall	100.00
Ashurst	95.00
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INSURANCE - Cont.

Adams	120.00
Alford	115.00
Anglo	110.00
Archer	105.00
Aspinall	100.00
Ashurst	95.00
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INVESTMENT TRUSTS

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Alford	115.00
Anglo	110.00
Archer	105.00
Aspinall	100.00
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## LIFE ASSURANCE

**OTHER SERVICES & DISBURSEMENTS - Cont.**

**PROPERTY - Cont.**

## SUPPORT SERVICES - Cont

**Q092 - Cont**

[illegible]

General Host  
 Gillette  
 Hamilton  
 Homewood  
 Ingersoll-Rand  
 Ingersoll  
 International  
 Morgan & P  
 Murray, P  
 NREAA  
 Paul  
 Permacore  
 Rapp & Co  
 Ray M  
 Rockwell  
 SBC Communications  
 Sears, Roebuck  
 Sun Co  
 Tenneco  
 Tencor  
 Tissue W  
 U.S. West  
 W&A  
 W&A Technology  
 Whelan  
 Woodward

**CANADA**

P&H Montreal  
 BC Hwa Scot  
 BC Gila  
 BOE  
 BOE Gold  
 Brascan  
 Can Pac B  
 Can Pacak

[illegible][illegible]

## OIL EXPLORATION & PRODUCTION

## PHARMACEUTICALS

**RETAILERS, FOOD**

## TELECOMMUNICATIONS

## AMERICANS

## CANADIANS

## SOUTH AFRICANS

## GUIDE TO LONDON SHARE SERVICE

Prices for the London Share Service delivered by FT Echel, a member of the Financial Times Group

Closing end-prices are shown in parentheses otherwise stated. Highs and lows are based on intra-day end-prices over a rolling 82 week period.

Where stocks are denominated in currencies other than sterling, £ is indicated after the name.

Symbols referring to dividend status appear in the notes column daily as a guide to yields and P/E ratios. Dividends and dividend covers are published on Monday.

Market capitalization shown is calculated separately for each line of stock.

Prices/earnings ratios are based on latest annual reports and accounts and, where possible, are updated on interim figures.

Estimated Net Asset Values (NAVs) are shown for Investment Trusts, in pence per share, along with the percentage discounts (D%) or premiums (P%) to the current closing share price. The NAV takes reserves prior charges at par value, convertibles converted and warrants exercised if dilution occurs.

☐ indicates the most actively traded stock. This excludes UK stocks

- Where transactions and prices are processed continuously through the Stock Exchange Automated Quotation system (SEAQ) and non-UK stocks through the SEAQ International system.
- High and low marked that have been adjusted to allow for capital changes
- Interim share increased or returned
- Interim share reduced, passed or deferred
- Figures or report omitted

Page 2, UK Ltd, Domestic, International companies listed on its website

\* From annual/interim report available, see details below  
 \* USRA not listed on Stock Exchange and company not subjected to  
 same degree of regulation as listed securities  
 \* Rule 4.5(a) lists incorporated inter-listed companies.  
 \* Price at time of suspension  
 \* Indicated dividend yield also: pending scrip and/or rights issue

\* Foreign Ltd. is a foreign corporation  
 † Forecast dividend yield; p/a based on earnings updated by latest interim statement.  
 ‡ Unregulated collective investment scheme

a Yield based on  
 2 dividend/ dividend  
 b Figures based on  
 non-priorities or other

ACT equivalent  
 2 Dividend yield includes a special payment  
 E Yield based on

1995-96  
 N Forecast annualized  
 yield, p/a based on  
 priority or other

1 Assumed dividend yield after rights issue.  
 2 Dividend yield to date

**S** Dividend yield excludes a special payment.  
**T** Indicated dividend yield, p/e ratio based on latest annual earnings.  
**F** Forecast, or estimated annualized dividend.  
**C** Official estimate for 1995.  
**K** Yield based on prospectus or other official estimates for 1994.  
**L** Estimated annualized yield, p/e based on 1994.  
**Abbreviations:**  
N/A as reported  
N/A as script issue.

This service is available to companies whose shares are regularly traded in the United Kingdom for a fee of £1275 a year for each security shown, subject to the Editor's discretion

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Reports will be sent the next working day, subject to availability.  
Both Annual Reports and FT Company Focus are available from the above number.

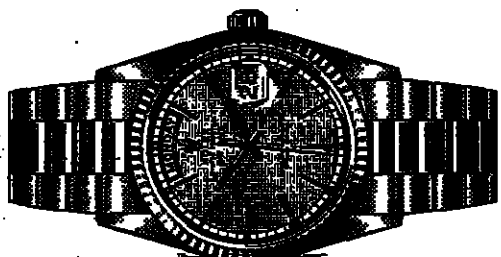
Comprehensive 10-14 page report available on this company, containing key FT stories from the last year, latest survey of City profit forecasts and investment recommendations, 5 year financial and share price performance review, balance sheet and profit and loss data, plus recent Stock

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## MAPPIN &amp; WEBB



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**Champagne-proof to 330 feet.**

London • Edinburgh • Glasgow • Guildford • Heathrow Terminals 3 and 4 • Manchester 

#### **RETAILERS, GENERAL - Cont.**

## SPIRITS, WINES & CIDERS

## WATER

# AIR

**Çayın İ-**  
**DBS Me-**







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## LONDON STOCK EXCHANGE

## MARKET REPORT

## Gilts help shares to continue end-year rally

By Philip Coggan, Markets Editor

Many traders may have stayed at home enjoying an extended holiday, but the UK stock market still managed some festive fun yesterday, rising for the fourth consecutive session.

By the close the FT-SE 100 index was 18.1 points higher at 3,676.4. That means the leading index is more than 600 points ahead of its end-1994 level and within sight of the all-time closing peak of 3,690.4 recorded on December 1.

A small programme trade, which was reported to be weighted mainly on the buy side, helped to push

shares ahead yesterday but volume was generally thin.

The FT-SE 100 started the day marginally lower, softening 0.9 at its worst to 3,657.4. FT and Severn Trent Water went ex-dividend, knocking around four points off the leading index.

But the market quickly rallied with the help of strong performance from gilts and sterling. The 10-year benchmark government bond rose by around three-quarters of a point, bringing the gross redemption yield back below 7.5 per cent. Compared with Friday's close, sterling has risen by around 1½ pence against the US dollar and by 1½ pence against the D-Mark.

The FT-SE Mid 250 index climbed 14.3 points to 3,999.7, its highest level of 1995. However, the junior index remains well below its all-time high of 4,152.8 reached in early 1994.

On the corporate front, the main news was the proposed £1.05bn sale of restaurants, service stations and motels by Forte to Whitbread; the deal will only go through if the bid from Granada fails.

The best performing Footsie stock was British Steel, which has fallen sharply since the summer but now seems to be attracting some yield-based buying.

In the afternoon, London was given a further fillip by Wall Street,

as happened many times before in 1995. The Dow Jones Industrial Average was stronger in early trading and by London's close was still around 8 points ahead.

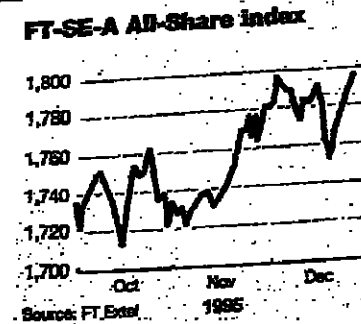
Trading was very quiet and is expected to remain so for the rest of the week, with most dealers taking a combined Christmas-new year holiday. By the 4.30pm count, volume was a meagre 278.7m shares, of which around 48 per cent was in non-Footsie stocks. The value of customer business on Friday, a shortened trading session, was just £289m.

A strong Christmas-new year period is no surprise to students of the stock market. According to the

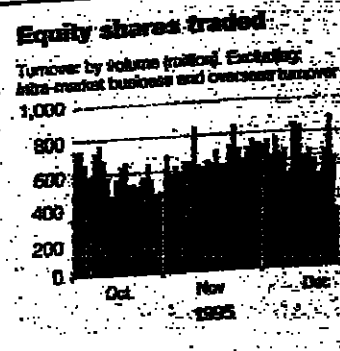
Schwartz Stock Market Handbook, December and January are the best two months of the year for investors. January is the best single month for shares, with an average gain of almost 2.5 per cent over 75 years.

This "January effect" has also been spotted in the US and may be psychological as investors make a fresh start and allocate funds to shares as the new year begins.

The market may face an uphill struggle to move ahead in early trading today, however, as a special dividend from TSB, which is merging with Lloyds Bank, knocks around 7.5 points off the index.



FT-SE 100 All-Share Index



Equity shares traded

Indices and ratios	FT-SE 100	FT-SE Mid 250	FT-SE 100/FTSE Mid 250	FT-SE 100/FTSE Mid 250
FT-SE 100	3676.4			
FT-SE Mid 250	3999.7			
FT-SE 100/FTSE Mid 250	18.1			
FT-SE 100/FTSE Mid 250	18.1			
FT-SE 100/FTSE Mid 250	18.1			

Best performing sectors	Worst performing sectors
1 Tobacco +1.5	1 Electricity -0.7
2 Electronic & Elec. Eng. +1.2	2 Telecommunications -0.5
3 Oil, Integrated +1.1	3 Airlines -0.4
4 Breweries +1.0	4 Gas Distribution -0.4
5 Pharmaceuticals +1.0	5 Health Care -0.3

## FUTURES AND OPTIONS

FT-SE 100 INDEX FUTURES (LFFE) 225 per full index point	Open	Sett. price	Change	High	Low	Est. vol.	Open int.
Mar	3684.0	3685.0	+1.0	3690.0	3684.0	4320	6155
Jun							1118

FT-SE MID 250 INDEX FUTURES (LFFE) 210 per full index point	Open	Sett. price	Change	High	Low	Est. vol.	Open int.
Mar	4010.0	4010.0	+0.0			0	3315
Jun							

FT-SE 100 INDEX OPTION (LFFE) 225 per full index point	Open	Sett. price	Change	High	Low	Est. vol.	Open int.
Mar	3684.0	3685.0	+1.0	3690.0	3684.0	4320	6155
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Jun							

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Mar	3684.0	3685.0	+1.0	3690.0	3684.0	4320	6155
Jun							1118

FT-SE MID 250 INDEX OPTION (LFFE) 210 per full index point	Open	Sett. price	Change	High	Low	Est. vol.	Open int.
Mar	4010.0	4010.0	+0.0			0	3315
Jun							

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Jun							

## Reshuffle hints lift GEC

GEC rose to a near two-year high amid speculation about a successor to managing director Lord Weinstock and hopes for buoyant defence orders.

The defence electronics and telecoms equipment group may name a new chief executive in the first half of 1996, possibly leading to further restructuring and management changes.

The shares advanced 7m to 361p with around 7m traded.

GEC has said in the past it will announce a successor to Lord Weinstock during 1996, but said nothing more when announcing first-half results in early December.

However, analysts expect news on the company's man-

agement in the first part of the new year.

## Forte active

Confirmation of the long-awaited sale of its roadside restaurants helped Forte motor forward 6 to 332p.

The £1.05bn sale of Forte's Little Chef and Happy Eater chains, its Welcome Break and Cote France motorway service units, and its Travelodge budget hotel chain, constitute the latest defence in its fight to resist the bid by Granada.

It is contingent on the bid being rejected by shareholders and analysts said it provides the opportunity for a special dividend payout.

It also puts pressure on Granada to raise its bid, which currently values Forte at 322p a share. Mr Paul Slattery of Kleinwort Benson believes the media and leisure group needs to raise its offer by approximately 15 per cent should its

own share price not recover.

The sale has been on the cards since Forte said in its first statement in early December that it would demerge its hotel and restaurant businesses.

However, some analysts were sceptical over whether the disposal would strengthen Forte's defence. One said the sale terms did not help because it did not enhance anything for shareholders, being earnings neutral and affecting a business with significant potential to be rejuvenated.

Analysts said the move was more positive for Whitbread, the buyer, as it was taking on a business with good growth potential that would help it to be seen as a leisure company rather than a brewing stock.

Granada gained 8 at 643p and Whitbread 6 at 670p.

Dixons, the high street electrical goods chain, jumped 18 to 449p ahead of the announcement at the close of trading

that it is to enter the Footsie today. The group will replace TSB, which today merges with Lloyds Bank. Dixons will be replaced in the FT-SE Mid 250 index by FirstBus, the transport group, up 5 at 166p.

TSB will today go ex a 68p special dividend, which is expected to knock 7.5 points off the value of the Footsie.

Internationally traded stocks were generally firmer in response to the pre and post-Christmas strength on Wall Street, as well as the latest rise in the Japanese Nikkei.

BAT Industries moved forward 8 to 576p, nudging its all-time high, as the row with ITC, of India, in which it is a big shareholder, appeared to be dying down. Rank Organisation added 15 at one stage, with a UK broker said to be recommending the stock as its star buy for 1996. But the shares slipped later to end only 6 up at 454p.

Oil majors continued their

relentless rise in response to the surge in the price of Brent crude, which was yesterday pushing towards \$19 a barrel.







Finance



**NASDAQ NATIONAL MARKET**

**4 pm please December 21**

AUG 25										AUG 26										AUG 27										AUG 28									
Wk	Chg	Low	High	Low	High	Wk	Chg	Low	High	Wk	Chg	Low	High	Low	High	Wk	Chg	Low	High	Low	High	Wk	Chg	Low	High	Low	High												
100	25	25	25	25	25	101	25	25	25	25	102	25	25	25	25	103	25	25	25	25	25	104	25	25	25	25	25												
105	25	25	25	25	25	106	25	25	25	25	107	25	25	25	25	108	25	25	25	25	25	109	25	25	25	25	25												
110	25	25	25	25	25	111	25	25	25	25	112	25	25	25	25	113	25	25	25	25	25	114	25	25	25	25	25												
115	25	25	25	25	25	116	25	25	25	25	117	25	25	25	25	118	25	25	25	25	25	119	25	25	25	25	25												
120	25	25	25	25	25	121	25	25	25	25	122	25	25	25	25	123	25	25	25	25	25	124	25	25	25	25	25												
125	25	25	25	25	25	126	25	25	25	25	127	25	25	25	25	128	25	25	25	25	25	129	25	25	25	25	25												
130	25	25	25	25	25	131	25	25	25	25	132	25	25	25	25	133	25	25	25	25	25	134	25	25	25	25	25												
135	25	25	25	25	25	136	25	25	25	25	137	25	25	25	25	138	25	25	25	25	25	139	25	25	25	25	25												
140	25	25	25	25	25	141	25	25	25	25	142	25	25	25	25	143	25	25	25	25	25	144	25	25	25	25	25												
145	25	25	25	25	25	146	25	25	25	25	147	25	25	25	25	148	25	25	25	25	25	149	25	25	25	25	25												
150	25	25	25	25	25	151	25	25	25	25	152	25	25	25	25	153	25	25	25	25	25	154	25	25	25	25	25												
155	25	25	25	25	25	156	25	25	25	25	157	25	25	25	25	158	25	25	25	25	25	159	25	25	25	25	25												
160	25	25	25	25	25	161	25	25	25	25	162	25	25	25	25	163	25	25	25	25	25	164	25	25	25	25	25												
165	25	25	25	25	25	166	25	25	25	25	167	25	25	25	25	168	25	25	25	25	25	169	25	25	25	25	25												
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175	25	25	25	25	25	176	25	25	25	25	177	25	25	25	25	178	25	25	25	25	25	179	25	25	25	25	25												
180	25	25	25	25	25	181	25	25	25	25	182	25	25	25	25	183	25	25	25	25	25	184	25	25	25	25	25												
185	25	25	25	25	25	186	25	25	25	25	187	25	25	25	25	188	25	25	25	25	25	189	25	25	25	25	25												

AUG 25										AUG 26										AUG 27										AUG 28									
Wk	Chg	Low	High	Low	High	Wk	Chg	Low	High	Wk	Chg	Low	High	Low	High	Wk	Chg	Low	High	Low	High	Wk	Chg	Low	High	Low	High												
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105	25	25	25	25	25	106	25	25	25	25	107	25	25	25	25	108	25	25	25	25	25	109	25	25	25	25	25												
110	25	25	25	25	25	111	25	25	25	25	112	25	25	25	25	113	25	25	25	25	25	114	25	25	25	25	25												
115	25	25	25	25	25	116	25	25	25	25	117	25	25	25	25	118	25	25	25	25	25	119	25	25	25	25	25												
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170	25	25	25	25	25	171	25	25	25	25	172	25	25	25	25	173	25	25	25	25	25	174	25	25	25	25	25												
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180	25	25	25	25	25	181	25	25	25	25	182	25	25	25	25	183	25	25	25	25	25	184	25	25	25	25	25												
185	25	25	25	25	25	186	25	25	25	25	187	25	25	25	25	188	25	25	25	25	25	189	25	25	25	25	25												

AUG 25										AUG 26										AUG 27										AUG 28									
Wk	Chg	Low	High	Low	High	Wk	Chg	Low	High	Wk	Chg	Low	High	Low	High	Wk	Chg	Low	High	Low	High	Wk	Chg	Low	High	Low	High												
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180	25	25	25	25	25	181	25	25	25	25	182	25	25	25	25	183	25	25	25	25	25	184	25	25	25	25	25												
185	25	25	25	25	25	186	25	25	25	25	187	25	25	25	25	188	25	25	25	25	25	189	25	25	25	25	25												

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105	25	25	25	25	25	106	25	25	25	25	107	25	25	25	25	108																							

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Hechlinger	0.16	5 1484	4 1/2	4 1/2	4 1/2	1 1/2
Makini	8	208	8 1/2	8	8	1 1/2

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[illegible]

**Financial Times. World Business Newspaper.**

1. **THE STATE OF TEXAS, COUNTY OF DALLAS, ss. I, \_\_\_\_\_, Clerk of the County Court, do hereby certify that the within and foregoing is a true and correct copy of the original of the same as the same appears from the records of the County Court of the County of Dallas, State of Texas.**

the 1990s, the number of people in the world who are illiterate has increased from 1.2 billion to 1.5 billion. The number of illiterate people in the world is projected to reach 1.7 billion by the year 2015. The number of illiterate people in the world is projected to reach 1.7 billion by the year 2015.

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*Journal of Management Education* 36(7)br/>© The Author(s)  
10.1177/0095647212468111  
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the 1990s, the number of people in the world who are under 15 years of age is expected to increase from 1.1 billion to 1.5 billion, and the number of people aged 65 and over is expected to increase from 250 million to 450 million (United Nations, 1994).

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Demoscope	21	231	24	234	235	Kelly Sr	0.80	15	111	28	272	274	OLY			
Demoscope x1.00	14	510	30	292	292	Kennedy	0.11	39	281	273	124	124	OLT Photo	9	10	
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Daily Grapes	0.67	0	175	-2	+18	-2	-18
Deli's Inc.	0.80	24	257	45	444	444	-14
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16.77	-11	York Ranch	26	498	54 <sub>2</sub>	54 <sub>4</sub>	54 <sub>4</sub>
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## AMERICA

# Fannie Mae climbs as Madrid indices take last minute tumble

## Dow loses early gain

## Wall Street

US stocks edged up early yesterday morning, but drifted back later in thin trading in the absence of any strong lead to set a direction for the market, writes Richard Waters in New York.

A firm bond market helped to lift the Dow Jones Industrial Average by as much as 16 points in early trade. However, by 1pm it had fallen back to 5,109.53, standing 0.73 point below its close on Tuesday. A pull-back among technology stocks, meanwhile, led the Nasdaq composite down 1.42 to 1,047.36 at lunchtime, and the Standard & Poor's 500 was up just 0.31 at 414.61.

Among the biggest movers during the morning, shares in one of the US's largest financial institutions, the Federal National Mortgage Association, jumped by more than 3 per cent on news of a capital restructuring. Fannie Mae announced a \$1.5bn share repurchase programme, to be funded through the issue of new preference stock, along with a four-for-one stock split.

The news lifted Fannie Mae's shares 34% during the morning to a new high of \$23.75, even though the company also said that a contribution to its philanthropic foundation would result in a pre-tax charge of \$360m for the final quarter of 1995.

On the Nasdaq, Cordis plummeted 11 per cent on an indication that the \$1.8bn acquisition of the surgical products company by Johnson & Johnson could be in trouble. The consumer products and healthcare giant delayed the completion of its due-diligence review of Cordis for another four weeks without giving any reason for the delay. At lunchtime, Cordis was trading at \$95, a fall of 11% on the day and well below the \$109 a share value placed on the acquisition by J&J's all-stock bid.

Nasdaq also fielded another morning of gains for biotechnology shares, and losses among internet and other computer-related stocks. The biotech sector, enjoying one of its periodic bounces, yielded several new highs. Amgen was up 1% at \$88.1, almost double its price at the start of the year.

Chiron advanced 1% to \$113.4, while Biogen climbed another 2% to \$93. Internet companies which yesterday morning gave up some of their recent gains included Spyglass, which fell 3% to \$55.4, and Netcom, which was down 1% at \$40.7. Netscape declined 2% to \$141.

## Canada

Toronto was weak in midday trade as investors returned from their Christmas break determined to take profits. The TSE 300 composite index gave up 16.65 by noon to 4,694.01 in volume of just 24.3m shares.

Weakness was seen in gold and base metal shares, as well as high-technology issues.

## SOUTH AFRICA

Johannesburg ended a listless day softer, with industrial shares attracting little interest and gold virtually unchanged on a steady bullish price. The overall index lost 9.9 to 6,247.5, industrials slipped 7.7 to 7,983.4 and gold eased 0.8 to 1,357.1. De Beers declined 1.25 to finish at R111.

## EUROPE

Analysts were puzzled in MADRID where equities, after doing very little all day, plunged in the last few minutes of trading. The general index closed 6.84 or 2.1 per cent lower at 812.30, although there seemed nothing in the fundamentals to move it in that direction.

Traders explained that two or three houses started selling baskets of equities just before the close, in what appeared to be a derivatives-linked move designed to get the indices lower; the Ibeex 35 dropped 3.7 per cent immediately after hours, a 1 per cent recovery in equity futures suggested that the design was strictly short term.

Huarte, the construction group at the centre of political corruption allegations earlier this year, and suspended last Friday ahead of a capital reconstruction, returned to trading and finished Ptas65 or 11.7 per cent higher at Ptas80; however, this compared with a year's peak of Ptas134.5.

ZURICH was in an upbeat mood, the stable dollar, firming bond markets and the favourable start to trading on Wall Street helping the market to another all-time high. The SMI index rose 38.2 to 3,317.1. Roche certificates climbed SF225 to an historic peak of SF291.70. Analysts, who said

that there was no news to account for the rise, suggested that it might have been exaggerated by the day's low level of business.

Banks put in a positive performance, although a degree of window dressing was said to have been involved. UBS bearers moved forward SF14 to SF12.265.

Sulzer staged a strong comeback after spending much of the day in negative territory. The registered finished SF17 higher at SF170.

Swissair, which reported an improved financial performance for November, jumped SF20 to SF155. Against the trend, Alusuisse declined SF7 to SF123.2, depressed by reports that analysts were worried about the group's long-term strategies.

AMSTERDAM majored on Royal Dutch and financials as the AEX index hit a new all-time closing high, 3.50 ahead at 485.03.

Product price rise prospects left the oil group F13.10 stronger at F1225; in financials, ING rose F1.60 to F107.80. Polygram, the entertainment stock, was out of favour after last week's profit warnings, losing F12 to F183.80.

FRANKFURT traded in thin volume and in a narrow range, the Dax index closing just 0.37 lower at an Ibis-indexed

## FT-SE ACTUARIES SHARE INDICES

		THE EUROPEAN SERIES									
		Dec 27	Dec 26	Dec 25	Dec 24	Dec 23	Dec 22	Dec 21	Dec 20	Dec 19	Dec 18
FT-SE Actuaries 100		1484.37	1485.00	1485.72	1485.89	1486.07	1486.25	1486.43	1486.61	1486.79	1486.97
FT-SE Actuaries 200		1592.53	1594.99	1595.16	1595.33	1595.51	1595.69	1595.87	1596.05	1596.23	1596.41
FT-SE Actuaries 300		1479.19	1480.57	1481.89	1483.21	1484.53	1485.85	1487.17	1488.49	1489.81	1491.13
FT-SE Actuaries 400		1587.34	1571.89	1571.89	1571.89	1571.89	1571.89	1571.89	1571.89	1571.89	1571.89

Base 1000 (25/1/1992), Highway 100 - 1485.75, 200 - 1595.57, Lowland 100 - 1482.57, 200 - 1592.57, 300 - 1482.57, 400 - 1592.57

2,280.44. Turnover dropped from DM5.1bn to DM3.7bn.

Senior blue chips were among the most volatile, Bayer easing 20 pfennigs to DM384.50 as it said that it planned to shed about 1,000 jobs in Germany in 1996. Lower in the Dax 30 order, Schering fell just 43 pfennigs to DM95.85 on the Shell Oil lawsuit alleging that the German group had improperly discounted more than \$9m from royalties it owed Shell for the multiple sclerosis drug Betaseron.

Outside the 30, the engineer KHD shed 35 pfennigs or 4 per cent to DM8.50 although it said it had insurance cover for a DM100m fire at one of its warehouses. In the construction sector, Philipp Holzmann rose DM15 or 2.9 per cent to DM530 on what looked like bottom-fishing.

PARIS saw the CAC-40 index rise 10.36 to 1,877.03, turnover staying low at FF2.34bn, but the broad market was not

tested; at the sharp end, Pechiney certificates and shares in its packaging unit Pechiney International fell FF1.70 to FF168 and FF14.30 to FF185.20 respectively.

Pechiney shares were being offered for both the certificates and the PI shares, in an exchange due to expire on January 9; analysts said yesterday that certificate holders might not want to waive their right to a guaranteed income, while the packaging company shareholders might not want to move into an aluminium group.

MILAN was helped higher by a rise in domestic bonds and some buying ahead of the year-end, but activity was limited as many investors awaited a clearer picture of the political outlook. The Comit index put on 4.47 at 587.85, while the real-time Mibtel index picked up 85 to 9,402.

Set jumped L126 to L4,470 on hopes that its costly ven-

ture in Russia with Svyazinvest had foundered, although the Italian telecommunications group said that it was still interested in taking a 25 per cent stake.

Ferruzzi lost L26 to L1,030 on speculation that Mediobanca would avoid having to conduct a public buy offer for shares in the financial holding group by agreeing to sell its 9.9 per cent existing stake. Mediobanca improved L107 to L11,000.

STOCKHOLM balanced strength in forestry, up 3.1 per cent, and in Astra against weakness in Ericsson. The Affärsvärlden General index came out a percentage point higher, up 17.6 at 1,726.4.

Astra rose SKr5 to SKr264.50 after strength in US pharmaceuticals stocks on Tuesday. Ericsson B fell SKr2.50 to SKr130.60, brokers blaming a lack of overseas support for the telecom favourite.

COPENHAGEN was supported by the performance of Tele Danmark, which climbed DKr5 or 2.7 per cent to DKr299 as part of the sector-wide correction to last week's falls which followed Nokia's reduced profits forecast.

The KFX top-20 index moved ahead 0.64 to 105.28, but trading was said to be very low.

Written and edited by William Cochrane and Michael Morgan

## Mexico supported by rates fall

Mexico City was higher in midday trade after a bigger than expected drop in Cetes rates, and a Telmex rate rise, spurred some buying after two days of mild declines. The IPC index had gained 6.30 at 2,831.

Dealers said that investors had reacted positively to a second straight drop in primary Cetes rates at the central bank's weekly Treasury bill auction, late on Tuesday.

The mood was also cheered by news from Telmex that it had received government permission to increase rates on long distance calls by an average of 18.5 per cent with effect from January 1. Telmex L shares, available to foreign

investors, continued 8 centavos to 12.76 pesos. CARACAS continued to press ahead in lunchtime trade, after Tuesday's record close, as expectations of a deal between the Venezuelan government and the IMF in the new year gave a boost to the market.

The 19-share IBC index was 16.59 stronger at 2,006.95.

BUENOS AIRES had edged further ahead by midday, helped by lower US interest rates and the austerity package likely to be passed by Congress later in the day. The Merval index, which had advanced 8.3 per cent in the previous seven sessions, was 0.49 firmer at 518.65.

## ASIA PACIFIC

## Winning streak lifts Nikkei above 20,000

## Tokyo

Active purchases by individuals supported technical activity, taking the Nikkei average above the 20,000 level for the first time in 14 months, writes Emilio Terazono in Tokyo.

The 225-share index ended 107.04 up at a day's high of 20,011.76, extending its winning streak to a sixth session. Higher futures prices in Chicago overnight and a rise on Wall Street set the tone. Many overseas investors were absent, but arbitrage linked index buying and purchases by individual investors was accompanied by broker buying on the first trading day for January contracts.

Volume totalled 560m shares, against 391m. The Topix index of all first section stocks rose 8.59 to 1,585.87 and the Nikkei 300 put on 1.16 at 297.64. Advances led falls by 714 to 320, with 167 issues unchanged.

In London the ISE/Nikkei 50 index firmed 0.86 to 1,385.31.

Some brokers said the year-end rally boded well for the next year. "The recovery after the plunge in the summer means that the optimists have conquered the pessimists," said a Japanese analyst.

On the trading floor, mining stocks advanced on hopes that the accident at Monju, the fast breeder reactor in western Japan, would prompt more use of coal for power generation. Mitsui Mining rose Y9 to Y467 and Mitsui Matsushima, which sells coal, Y38 to Y445.

Individual investors chased fishery shares and shipping issues, old speculative favourites. Nippon Suisan gained Y6 at Y426 and Mitsui OSK Lines Y5 at Y314. Hanwa, the steel trading company, was the day's most active issue, climbing Y18 to Y453. Iseki, the farming machinery maker, rose Y17 to Y498 and Keisei Electric Railway Y35 to Y874.

Oil shares were higher on a rise in crude oil prices. Nippon Oil jumped Y19 to Y629 and Cosmo Oil Y15 to Y357.

Brokers, which had gained

ground on expectations of higher earnings thanks to rising trading volume on the stock market, fell on profit-taking. Nomura Securities dipped Y40 to Y2370.

In Osaka, the OSE average moved up 195.77 to 21,468.70.

## Roundup

There was high volume but low investment interest in MANILA, where the composite index fell 22.14 or 1.25 per cent to 2,533.39. Brokers reported some profit-taking ahead of the year-end; a rise in turnover from 2.34bn pesos to 2.736bn was attributed to block trades.

TAIPEI's weighted index dropped 33.82 to 5,071.55 in thin turnover of T\$30bn. A late

morning decision by the central bank to scrap a US\$3bn limit on companies repatriating funds raised abroad through convertible bonds and global depositary receipts failed to boost the market.

HONG KONG, suffering from post-holiday torpor, ended below the 10,000 level in spite of last Friday's prime rate cut. The Hang Seng index rose a modest 53.03 to 9,585.23. Hutchison put on another 50 cents to HK\$46.70 on hopes that its container port and British Telecom operations would be spun off. Hopewell, under considerable selling pressure earlier this month following a rash of negative stories about its infrastructure projects and debt burden, ral-

lied 27.5 cents to HK\$4.30 on the view that it had bottomed.

SEOUL closed the last trading day of the year slightly higher after institutions, intent on giving their portfolios a boost, stepped in with block trades to push share prices up. The composite index added 6.57 at 882.94. Samsung Electronics was boosted in late trade, rising Won3,500 to Won141,000.

The short-term finance sector ended the session 2.2 per cent weaker, after a poor performance this year.

SINGAPORE saw some 8.9m Scotts shares change hands on unconfirmed rumours that a third party was showing interest in the company. Scotts, which has been engaged in a dispute between the control-

ling family over shareholdings in the property and retailing concern, led the actives list as it gained 14 cents at S\$1.25.

The Straits Times industrial index shed 5.51 to 2,271.35.

KARACHI climbed on new account buying on the first day of a long clearing week ending on January 8, and in anticipation of heavy foreign buying early next year. The KSE 100 index rose 13.02 to 1,510.61.

Dewan Salman Fibre put on PR\$1.65 at PR\$1.40 in a more positive response to its 30 per cent gain in net profits; PTC firmed PR\$0.25 to PR\$0.70.

SHANGHAI's B share index recovered further on bargain hunting, moving forward 0.518 or 1.1 per cent to 47,768 in 3m shares traded worth \$1.2m.

## EMERGING MARKETS: IFC WEEKLY INVESTABLE PRICE INDICES

Market	No. of stocks	Dollar terms		Local currency terms	
		Dec. 22 1995	% Change over week	Dec. 22 1995	% Change over week
Latin America (251)	478.52	+6.0	-17.5	494,256.47	+10.9
Argentina (30)	805.57	+10.9	+9.7	1,118.16	+0.6
Brazil (71)	308.38	+0.3	-19.8	1,238.77	-5.1
Chile (7)	759.84	+5.1	-1.7	1,035.66	+3.4
Colombia (16)	594.27	+2.6	-26.8	1,516.92	+5.9
Mexico (67)	466.57	+8.3	-23.3	2,783.37	+5.4
Peru (19)	198.01	+7.4	+11.0	2,548.73	+2.1
Venezuela (12)	336.13	-0.9	-32.1	56.15	-3.1
Asia (677)	232.24	+0.9	-6.9	129.56	-6.9
China (20)	53.46	-3.2	-29.5	322.34	-2.8
South Korea (56)	127.57	-7.3	-14.7	114.21	+6.2
Philippines (25)	254.19	+2.6	-14.7	100.37	-0.2
Taiwan, China (83)	111.47	+6.3	-32.2	138.61	-0.2
India (101)	80.79	-0.4	-34.6	264.00	+1.4
Indonesia (42)	111.52	-0.2	+11.8	368.29	+5.0
Malaysia (114)	271.16	+1.4	+0.8	119.78	-0.6
Pakistan (36)	237.03	+5.0	-35.3	378.75	+1.4
Sri Lanka (9)	103.19	-0.6	-40.0	381.49	-0.5
Thailand (58)	378.81	+1.3	-1.2	161.31	-9.6
Euro/Mid East (208)	143.47	+0.4	+21.1	278.20	+2.2
Greece (40)	236.58	-0.5	+4.6	668.43	-3.1
Hungary (5)	98.15	-10.2	-35.3	117.90	+0.7
Jordan (8)	185.06	+2.7	+23.4	196.51	+0.3
Poland (16)	429.54	-0.7	-8.5	3,159.36	+1.7
Portugal (26)	113.82	+1.7	-6.0	374.25	-0.6
South Africa (64)	259.90	+0.5	+15.6	278.17	+1.9
Turkey (44)	117.58	-0.1	-3.4		
Zimbabwe (5)	272.87	-1.0	+11.5		
Composite (1136)	278.17	+1.9	-9.5		

Indices are calculated at end-week, and weekly changes are percentage movement from the previous Friday. Base data, Dec. 1986/100 except those noted which are (1/Feb/1991, 100/100; 1/Jan/1992, 100/100; 1/Jan/1993, 100/100; 1/Jan/1994, 100/100; 1/Jan/1995, 100/100; 1/Jan/1996, 100/100; 1/Jan/1997, 100/100; 1/Jan/1998, 100/100; 1/Jan/1999, 100/100; 1/Jan/2000, 100/100; 1/Jan/2001, 100/100; 1/Jan/2002, 100/100; 1/Jan/2003, 100/100; 1/Jan/2004, 100/100; 1/Jan/2005, 100/100; 1/Jan/2006, 100/100; 1/Jan/2007, 100/100; 1/Jan/2008, 100/100; 1/Jan/2009, 100/100; 1/Jan/2010, 100/100; 1/Jan/2011, 100/100; 1/Jan/2012, 100/100; 1/Jan/2013, 100/100; 1/Jan/2014, 100/100; 1/Jan/2015, 100/100; 1/Jan/2016, 100/100; 1/Jan/2017, 100/100; 1/Jan/2018, 100/100; 1/Jan/2019, 100/100; 1/Jan/2020, 100/100; 1/Jan/2021, 100/100; 1/Jan/2022, 100/100; 1/Jan/2023, 100/100; 1/Jan/2024, 100/100; 1/Jan/2025, 100/100; 1/Jan/2026, 100/100; 1/Jan/2027, 100/100; 1/Jan/2028, 100/100; 1/Jan/2029, 100/100; 1/Jan/2030, 100/100; 1/Jan/2031, 100/100; 1/Jan/2032, 100/100; 1/Jan/2033, 100/100; 1/Jan/2034, 100/100; 1/Jan/2035, 100/100; 1/Jan/2036, 100/100; 1/Jan/2037, 100/100; 1/Jan/2038, 100/100; 1/Jan/2039, 100/100; 1/Jan/2040, 100/100; 1/Jan/2041, 100/100; 1/Jan/2042, 100/100; 1/Jan/2043, 100/100; 1/Jan/2044, 100/100; 1/Jan/2045, 100/100; 1/Jan/2046, 100/100; 1/Jan/2047, 100/100; 1/Jan/2048, 100/100; 1/Jan/2049, 100/100; 1/Jan/2050, 100/100; 1/Jan/2051, 100/100; 1/Jan/2052, 100/100; 1/Jan/2053, 100/100; 1/Jan/2054, 100/100; 1/Jan/2055, 100/100; 1/Jan/2056, 100/100; 1/Jan/2057, 100/100; 1/Jan/2058, 100/100; 1/Jan/2059, 100/100; 1/Jan/2060, 100/100; 1/Jan/2061, 100/100; 1/Jan/2062, 100/100; 1/Jan/2063, 100/100; 1/Jan/2064, 100/100; 1/Jan/2065, 100/100; 1/Jan/2066, 100/100; 1/Jan/2067, 100/100; 1/Jan/2068, 100/100; 1/Jan/2069, 100/100; 1/Jan/2070, 100/100; 1/Jan/2071, 100/100; 1/Jan/2072, 100/100; 1/Jan/2073, 100/100; 1/Jan/2074, 100/100; 1/Jan/2075, 100/100; 1/Jan/2076, 100/100; 1/Jan/2077, 100/100; 1/Jan/2078, 100/100; 1/Jan/2079, 100/100; 1/Jan/2080, 100/100; 1/Jan/2081, 100/100; 1/Jan/2082, 100/100; 1/Jan/2083, 100/100; 1/Jan/2084, 100/100; 1/Jan/2085, 100/100; 1/Jan/2086, 100/100; 1/Jan/2087, 100/100; 1/Jan/2088, 100/100; 1/Jan/2089, 100/100; 1/Jan/2090, 100/100; 1/Jan/2091, 100/100; 1/Jan/2092, 100/100; 1/Jan/2093, 100/100; 1/Jan/2094, 100/100; 1/Jan/2095, 100/100; 1/Jan/2096, 100/100; 1/Jan/2097, 100/100; 1/Jan/2098, 100/100; 1/Jan/2099, 100/100; 1/Jan/2100, 100/100; 1/Jan/2101, 100/100; 1/Jan/2102, 100/100; 1/Jan/2103, 100/100; 1/Jan/2104, 100/100; 1/Jan/2105, 100/100; 1/Jan/2106, 100/100; 1/Jan/2107, 100/100; 1/Jan/2108, 100/100; 1/Jan/2109, 100/100; 1/Jan/2110, 100/100; 1/Jan/2111, 100/100; 1/Jan/2112, 100/100; 1/Jan/2113, 100/100; 1/Jan/2114, 100/100; 1/Jan/2115, 100/100; 1/Jan/2116, 100/100; 1/Jan/2117, 100/100; 1/Jan/2118, 100/100; 1/Jan/2119, 100/100; 1/Jan/2120, 100/100; 1/Jan/2121, 100/100; 1/Jan/2122, 100/100; 1/Jan/2123, 100/100; 1/Jan/2124, 100/100; 1/Jan/2125, 100/100; 1/Jan/2126, 100/100; 1/Jan/2127, 100/100; 1/Jan/2128, 100/100; 1/Jan/2129, 100/100